

large and widespread excess of industrial capacity built up in the recent investment boom, the continued decline in our exports in the past year, more unfavorable international conditions than prevailed in 1953-54, and a slump in business confidence in the Eisenhower leadership so that "chins-up" pronouncements are followed by declines in stock prices.

Professor Slichter's rather optimistic prognosis not only rests on somewhat questionable analysis but, in part, on hopes that Congress "will wisely insist on spending more" on constructive programs than the President has recommended and that the Federal Reserve authorities will engage in an "aggressive easing of credit."

What is needed, however, is a definite program for action that will restore confidence by indicating a determination to take specific steps over the next few months, including measures unmentioned by Slichter such as the Kennedy-McCarthy bill to provide decent benefits for the jobless. Such a program should not be hampered by worries about the Consumer Price Index, which suffers from temporary developments like the weather and has a short-run upward bias now because of various lags.

RICHARD A. LESTER,
Professor of Economics.

PRINCETON, N. J.

Sumner Slichter discusses the decrease in outlays on industrial plant and equipment and on inventories and concludes that "the balance of the economy will shift from contraction to slow expansion about the time that disinvestment in inventories begins to fall—about March at the earliest and May at the latest." This statement implicitly predicts consumer expenditures.

Discretionary consumer expenditures, such as those on durable goods, are a function both of financial means (income, assets minus debts), representing ability to buy, and of underlying attitudes, representing willingness to buy. Income and assets are still relatively satisfactory but consumer sentiment began to deteriorate quite a while ago, before the onset of reduction in business inventories. Following its June 1957 survey of consumers the Survey Research Center reported that "consumer optimism is weakening." According to the center's December 1957 survey, "Concern about the business outlook as well as about their personal financial situation has grown during the past 6 months among American consumers. A substantial proportion of the American people heard unfavorable economic news of late. This information has given rise to worries and feelings of uncertainty and lowered consumers' inclinations to purchase houses and automobiles."

The survey findings point to a fairly lengthy depression, though not to a severe one, unless something is done soon to improve both consumer buying power and consumer sentiment. Consumer inclinations to buy may revive if inflation could be arrested through widespread discounts, sales, and opportunities for good buys. Even if this does not happen, feelings of uncertainty and pessimism may wear off slowly, if, in due time, it is realized that the fears of really bad times have been unwarranted. Is it necessary to wait that long and risk that the recession deepens in the meantime? The Government has acted already through easing money rates and increasing defense expenditures. An analysis of how consumers think, presented in a report entitled "Signposts to Turning Points," indicates that increased defense spending does not necessarily raise the confidence and optimism of consumers because reminders of war and of higher taxes, associated in people's thinking with armament efforts, are depressive factors. Domestic spending programs and tax reductions may have a quicker favorable impact on consumer sentiment.

GEORGE KATONA,
Program Director, Survey Research
Center.

ANN ARBOR, MICH.

SENATE

WEDNESDAY, MARCH 19, 1958

(Legislative day of Monday, March 17, 1958)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Lord, Thou lover of mankind, in whose hand are the final issues of life: In a day when loud voices of evil threaten to overwhelm all that gives dignity to the individual, we steel ourselves in the assurance that, though the wrong seems oft so strong, God is the ruler yet. In that faith we dedicate all we think and speak and do this new day.

Thou hast given us our yesterdays, and their record is in Thy book of remembrance. Our memories of temptations resisted and victories won are secure. Our tomorrows are within Thy loving care, as the future lies before us. Today is ours. Help us to command it, to seize it, to mold it to Thy purposes, and so to number its hours that we may apply our hearts unto wisdom, being true to our best selves as we seek in this age to serve the Nation and this ailing world. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 18, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were com-

municated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On March 15, 1958:

S. 573. An act conferring jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon a certain claim of Mrs. Walter E. von Kallnowski;
S. 888. An act for the relief of Alex P. Collins;

S. 916. An act to provide for the issuance of checks and continuation of accounts when there is a vacancy in the office of the disbursing officer for the Post Office Department, and for other purposes;

S. 1552. An act to authorize the Secretary of the Interior to establish a program for the purpose of carrying on certain research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice field crops, and for other purposes; and
S. 1828. An act to retrocede to the State of Montana concurrent police jurisdiction over the Blackfeet Highway and its connections with the Glacier National Park road system, and for other purposes.

On March 17, 1958:

S. 1086. An act granting the consent of Congress to a Bear River compact, and for related purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1082. An act for the relief of Katina Apostolou;

S. 2062. An act for the relief of Yasna Trevizan;

S. 2124. An act for the relief of Tasia J. Somas; and

S. 2498. An act for the relief of Matthew M. Epstein.

The message also announced that the House had passed the following bills

and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 1342. An act for the relief of Mrs. Helen Harvey;

H. R. 1466. An act for the relief of Dr. Thomas B. Meade;

H. R. 2763. An act for the relief of Hong-to Dew;

H. R. 4073. An act for the relief of Peter James O'Brien;

H. R. 4445. An act for the relief of the estate of Mr. Shirley B. Stebbins;

H. R. 5424. An act for the relief of Thomas Helms and other employees of the Bureau of Public Roads;

H. R. 7203. An act for the relief of Dwight J. Brohard;

H. R. 7267. An act for the relief of Charles J. Jennings;

H. R. 7684. An act to provide that the Secretary of the Navy shall transfer to David J. Carlson and Gerald J. Geyer certain interests of the United States in an invention;

H. R. 7941. An act for the relief of Mrs. Harry B. Kesler;

H. R. 8015. An act for the relief of the Harma Tire & Rubber Corp.;

H. R. 8147. An act for the relief of Kenneth W. Lenghart;

H. R. 8316. An act for the relief of Warren S. Boggess;

H. R. 8361. An act to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court;

H. R. 8407. An act for the relief of Mrs. Margaret N. Meister;

H. R. 8444. An act for the relief of Lloyd Lucero;

H. R. 8448. An act for the relief of Willie C. Williams;

H. R. 8547. An act to authorize the disposal of certain uncompleted vessels;

H. R. 9012. An act for the relief of Alexander Grossman;

H. R. 9109. An act for the relief of John A. Tierney;

H. R. 9317. An act for the relief of Oshiro Shoko;

H. R. 9395. An act for the relief of Cornelia V. Lane;

H. R. 9490. An act for the relief of Sidney A. Coven;

H. R. 9514. An act for the relief of Valleydale Packers, Inc.;

H. R. 9989. An act to provide for the presentation of a medal to the Sons of Union Veterans of the Civil War;

H. J. Res. 529. Joint resolution for the relief of certain aliens;

H. J. Res. 552. Joint resolution to facilitate the admission into the United States of certain aliens; and

H. J. Res. 553. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 147. An act for the relief of Guido William Grambergs;

S. 161. An act for the relief of Elias Youssef Mikhael (Ellis Joseph Michael);

S. 285. An act for the relief of Paul Gustin;

S. 1249. An act for the relief of Martha A. Calvert;

S. 1287. An act for the relief of Heinz August Schwarz;

S. 1331. An act for the relief of John P. Souvaldzis;

S. 1359. An act for the relief of Franz Hehn;

S. 1403. An act for the relief of Michael James Bolger;

S. 1543. An act for the relief of Dorene I. Fast;

S. 1600. An act for the relief of C-L Electric Co.;

S. 2110. An act for the relief of Shirley Leeke Kilpatrick; and

H. R. 9271. An act to authorize the National Society of the Sons of the American Revolution to use certain real estate in the District of Columbia as the national headquarters of such society.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated:

H. R. 1342. An act for the relief of Mrs. Helen Harvey;

H. R. 1466. An act for the relief of Dr. Thomas B. Meade;

H. R. 2763. An act for the relief of Hong-to Dew;

H. R. 4073. An act for the relief of Peter James O'Brien;

H. R. 4445. An act for the relief of the estate of Mr. Shirley B. Stebbins;

H. R. 5424. An act for the relief of Thomas Helms and other employees of the Bureau of Public Roads;

H. R. 7203. An act for the relief of Dwight J. Brohard;

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H. R. 8147. An act for the relief of Kenneth W. Lenghart;

H. R. 8316. An act for the relief of Warren S. Bogges;

H. R. 8361. An act to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court;

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H. R. 8448. An act for the relief of Willie C. Williams;

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H. R. 9989. An act to provide for the presentation of a medal to the Sons of Union Veterans of the Civil War;

H. J. Res. 529. Joint resolution for the relief of certain aliens;

H. J. Res. 552. Joint resolution to facilitate the admission into the United States of certain aliens; and

H. J. Res. 553. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

H. R. 8547. An act to authorize the disposal of certain uncompleted vessels; to the Committee on Armed Services.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the nominations on the calendar will be stated.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. JOHNSON of Texas. Mr. President, I ask that the postmaster nominations be considered and confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the postmaster nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, the unfinished business is Calendar No. 1378, Senate bill 3420, to extend and amend the Agricultural Trade Development and Assistance Act of 1954. There will be further debate on that bill today. The yeas and nays have been ordered on the question of agreeing to an amendment, and also, I believe, on the question of the final passage of the bill. Therefore, all Members may know that it is expected that there will be yeas-and-nays votes today.

Following the disposition of that bill, we expect to have the Senate proceed to the consideration of Calendar No. 1074, Senate bill 984, conferring jurisdiction on the Court of Claims to make findings regarding the compensation of certain producers of uranium.

We also expect to have the Senate consider the motion, which has been made by the distinguished Senator from Indiana [Mr. JENNER], to reconsider the vote by which the Senate passed Senate bill 3149 increasing the lending authority of the Export-Import Bank.

Shortly, we expect to have the Senate proceed to the consideration of Calendar No. 706, Senate bill 1356, to amend the antitrust laws with respect to meatpackers.

I shall try to make a more definite statement about the time when those measures will be brought up by motion; and I shall keep in contact with the minority leader.

However, I should like to have the RECORD show that we have plans for Senate consideration of the measures listed and the motion to reconsider, and the Senate will consider them, although not necessarily in the order in which I have listed them.

PUBLIC WORKS, PUMP PRIMING, AND THE FISCAL SITUATION

Mr. BYRD. Mr. President, I voted for expediting expenditures from appropriations for sound public works, but I am opposed to deficit spending for pump priming, the ineffectiveness of which was proved beyond any doubt in the depression 25 years ago. A public-works project should be sound, constructive, and advantageous to the public.

I have invariably opposed all deficit financing except that required to meet national emergency. That is my position now. The extent to which the current recession is, or becomes, a national emergency will determine what is essential to meet it.

My position is, and will continue to be, that anything done should be sound and productive of results, and should be done with the absolute minimum of deficit spending, limited to what is essential to meet emergency requirements.

Mr. President, whenever we engage in extensive and prolonged deficit financing, for any reason, it must be done with

full realization that the evils of burdensome debt and inflation are certain to follow.

In order to put into more balanced perspective the numerous deficit-making proposals currently being offered, I have attempted to analyze the fiscal conditions under which we are working. In this connection, the folly of our failure in more prosperous times to balance the Federal budget and pay off some of the staggering debt is plain to see.

DEFICIT

As I see the Federal fiscal situation developments to date for the fiscal year 1959, beginning July 1, it would seem conservative to estimate a deficit of at least \$7 billion, without tax reduction—more than \$2 billion resulting from falling revenue, as estimated, under present tax rates, and more than \$5 billion from increased expenditures, as they now appear.

Revenue from present tax rates is falling now. I confidently predict that a general tax reduction, if and when finally enacted, would cause a further loss in revenue of from \$7 billion to \$8 billion.

The combination of increased expenditures, falling revenue, and general tax reduction could and I think would, result in a minimum deficit of up to \$15 billion, and perhaps more.

Exclusive of tax reduction, my estimate of the 1959 deficit into which we are plunging pellmell may be shown briefly, in comparison as follows:

(In billions)

Receipts and expenditures	President's January estimate	Byrd March estimate
Budget receipts (at present tax rates)	\$74.4	\$72.0
Budget expenditures (exclusive of highway trust fund deficit)	73.9	79.0
Budget surplus or deficit	+0.5	-7.0

¹ Any highway trust fund deficit would be in addition.

Mr. President, that is predicated upon the assumption that business will improve substantially in the fiscal year 1959. If it does not improve in that year, the receipts of \$72 billion, which I estimate, will be considerably reduced.

In other words, Mr. President, it is my estimate that in the next fiscal year there will be a deficit of not less than \$6,500,000,000.

I believe this estimate is conservative as of March 19, but under present circumstances the deficit may increase, as new measures are acted upon by the Congress and as new plans are proposed to increase still further public spending. As of now, the figures are supported by the following facts and conclusions:

REVENUE

First, as I have stated, the President's January budget overestimated revenue. It estimated 1959 revenue at \$2 billion higher than was forecast for the current year. It anticipated increases in all major sources, including personal and corporate income, excises, and so forth.

The estimate of revenue is based upon a pickup in business conditions for the year between June 30, 1958, and June 30,

1959. If this improvement does not occur or is not strong enough, then the loss, due to overestimating the revenue for fiscal 1959, will be substantially more than \$2.4 billion.

Mr. President, revenue is now falling considerably below the current year estimate. At present rates, every indication points to downward revision for next year. At this point I would estimate that the drop for the next fiscal year would, as I have stated, be not less than \$2,400,000,000, and would be substantially more unless there is an upswing in business conditions, beginning in the next fiscal year. Tax reduction would be in addition.

EXPENDITURES

The President's January budget document underestimated expenditures to begin with. It was based on decreases which he recommended in certain programs, totaling \$3.7 billion under current year spending levels, while it proposed increases in other programs totaling \$4.9 billion over current year spending levels. Under present conditions it is to be assumed that the increases will be higher, and few of the decreases will occur.

Appropriations for the present fiscal year, which ends June 30, have been increased so far in the current session of Congress by nearly \$4¼ billion. While these are called increases for fiscal year 1958, much of the money will actually be spent in fiscal year 1959.

Increased expenditures and falling revenues now indicate we shall end this fiscal year, expiring on June 30, with a 1958 deficit up to \$2 billion; and the rapid rise in the rate of expenditure in the current year will send us into the new 1959 fiscal year on July 1 with the spending momentum already built up.

In view of the situation I have outlined, together with action taken to date by Congress on such legislation as housing, public works, roads, military, and so forth, I should not be surprised to see the President's 1959 expenditure estimate of \$73.9 billion exceeded by from \$5 billion to \$6 billion.

Such an increase would be broken down roughly as follows:

Up to \$2 billion in military and related expenditures;

Up to \$2 billion public works, including highway deficit; and

Up to \$2 billion in other expenditures.

Much of this increase would be in multiyear programs and projects. Such expenditures are usually higher in subsequent years than in the first year.

There is no such thing as temporary large-scale deficit financing. We know from 28 years' experience that deficit spending is not turned on and off as if controlled by a spigot. If the 1959 deficit should be as large as is now certainly indicated, Federal deficits would continue as long as anyone can foresee.

I predict that if we have next year a deficit of \$15 billion or more, it will be many years before the budget of the country will be balanced.

Deficits pile up debt, and tax reduction in a period of deficit financing is simply charged to the debt. It is not only a tax reduction, but a postponement of the

payment of taxes, because when money is borrowed to reduce taxes and that amount is added to the debt, the liability is one which is borne by all the people of this country.

We have just raised the Federal debt ceiling to \$280 billion, temporarily, through next year. A \$300 billion debt—if we reached it, and it is not impossible that we shall reach it in the next fiscal year—would be the greatest debt the world has ever known for either the United States or any other nation.

Resumption of large-scale deficit financing is certain to add fuel to the inflation fire, and inflation resulting from previous Federal policy is already bad. The value of the dollar dropped a third of a cent in February, as measured by the 1939 index. At that rate, the drop would be 4 cents in a year. Accelerated deficit financing is certain to precipitate the declining value of our 48-cent dollars.

Those who would resort to tremendous deficit spending as a temporary expedient in recession disregard the long-run evils which would ensue in terms of the value of our money, cost of living, welfare of fixed income people, and our fiscal soundness, which involves our democratic institutions and our form of government.

Mr. President, as chairman of the Senate Finance Committee, I fully appreciate the terrific burdens of our present tax system. In my judgment, every single category is overtaxed. But the solution does not lie in reducing taxes and adding the loss to the public debt. The solution lies in reducing our expenditures.

A general tax reduction, based upon the issuance of Federal bonds, and increasing the indebtedness, is not, in fact, a tax reduction. It is merely a postponement of tax collections, and the bonds issued to finance such tax reduction will bear interest and will add to future expenditures. Already we are paying 11 percent of our total revenue for interest on the public debt.

In conclusion, I wish to say if deficit spending of a magnitude which would produce disastrous inflation is to be avoided, the people of the United States must demand that Federal expenditures be limited to absolute essentials.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour, and that statements made in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

The PRESIDENT pro tempore laid before the Senate a letter from the Chairman, Foreign Claims Settlement Commission of the United States, Washington, D. C., transmitting a draft of proposed legislation to amend the Interna-

tional Claims Settlement Act of 1949, as amended (64 Stat. 12), which, with the accompanying papers, was referred to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

Petitions, etc., were presented and referred as indicated:

RESOLUTION OF GENERAL ASSEMBLY OF RHODE ISLAND

Mr. PASTORE. Mr. President, on behalf of my colleague, the senior Senator from Rhode Island [Mr. GREEN], and myself, I present a resolution adopted by the General Assembly of Rhode Island, memorializing the Congress of the United States to propose an amendment to the Federal Constitution relative to the imposition and collection of taxes on income in the States. I ask unanimous consent that the resolution be appropriately referred, and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

House resolution

Resolution memorializing the Congress of the United States to propose an amendment to the Federal Constitution relative to the imposition and collection of taxes on income in the States

Whereas until in recent years, the imposition by the States of taxes upon intangibles was historically and traditionally limited to residents because the situs of intangibles was deemed to be that of the place of residence of the taxpayer; and

Whereas following the adoption of the 16th article of the amendments to the Federal Constitution in 1913, it was generally assumed that income taxes would be imposed by the Government of the United States and that this field of taxation would be tacitly allocated to the Federal Government; and

Whereas at later dates, income taxes were imposed by a number of the States and in most of these the income tax was imposed upon nonresidents as well as upon residents and, in the case of the nonresidents, the tax was imposed in respect to both earned and unearned income derived from sources within the State imposing the tax; and

Whereas the right to impose such taxes upon nonresidents was sustained by the United States Supreme Court, provided there was no discrimination against the nonresidents; and

Whereas although generally the exemptions granted to a resident applied also to nonresidents, there are many instances where exemptions favoring residents and not allowed to nonresidents have been sustained by the courts; and

Whereas the reciprocal provisions contained in certain State income-tax laws are of some benefit to the nonresidents, nevertheless, there remain many inequities due to the taxation of nonresidents under State income-tax laws; and

Whereas it appears that the only way to prevent these inequities and to avoid the undue hardship resulting from the imposition of State income taxes upon nonresidents is by an amendment to the Federal Constitution; and

Whereas there has been an ever-increasing demand for action to alleviate the burden imposed upon residents of the State of Rhode Island by income taxes levied by other States and particularly by neighboring States, because the residents of this State

pay the income taxes imposed by the Federal Government and the taxes imposed by the State of Rhode Island and by its political subdivisions, and they should not also be required to pay income taxes to States in respect to which they are nonresidents: Now, therefore, it is

Resolved, That the Members of the Congress of the United States be, and they are hereby, respectfully urged to propose an amendment to the Constitution of the United States by adding a new article to the amendments by which the several States would have no power to impose and collect taxes on income from whatever source derived except in respect to residents of the State imposing the tax; and be it further

Resolved, That the proposed amendment would be substantially in the following language:

"ARTICLE —. Power to impose taxes on incomes by the State.

"The several States shall have no power to impose and collect taxes on income from whatever source derived except in respect to residents of the State imposing the tax"; and be it further

Resolved, That the secretary of state be, and he is hereby, authorized and directed to transmit duly certified copies of this resolution to the Senators and Representatives of the State of Rhode Island in the Congress of the United States and to the respective presiding officers in both branches of said Congress.

SELF-HELP PLAN FOR DAIRY INDUSTRY—RESOLUTION

Mr. JACKSON. Mr. President, I present, for appropriate reference, a resolution adopted by the Snohomish County (Wash.) Dairymen's Association, relating to a self-help plan for the dairy industry. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas it is generally recognized that the dairy industry faces, and has faced, uncertain economic conditions due principally to uncontrolled excess production; and

Whereas the National Federation of Milk Producers in conjunction with the National Grange and the National Farmers Union has proposed a plan for control of the excess production, such plan being referred to as the self-help plan: Now, therefore, be it

Resolved, That the Snohomish County Dairymen's Association in regular session on February 27, 1958, go on record as endorsing the principles as provided in the self-help plan; and be it further

Resolved, That the Snohomish County Dairymen's Association express their appreciation for the efforts expended by the National Milk Producer's Federation, the National Grange, and the National Farmers Union in promoting the self-help plan; and be it further

Resolved, That the Snohomish County Dairymen's Association extend an expression of appreciation to those Members of the Congress, namely, Senator HENRY M. JACKSON and Congressman JACK WESTLAND, for their support of the self-help plan; and be it further

Resolved, That the Snohomish County Dairymen's Association support the action of our Congressmen and Senators in legislation which will provide that the support level on dairy products be maintained at its present level until such time as the self-help plan, or such other plan as will carry out the principles of the self-help plan, are adopted and made effective.

RESTORATION OF FARM PRICES—RESOLUTION

Mr. HUMPHREY. Mr. President, a number of farmers' union locals in Minnesota have sent me identical resolutions urging the restoration of farm prices to a higher level at which the sale of farm products will give farmers a fair purchasing power.

The following farmers' union locals have sent this resolution to me: Western Stearns Farmers Union Local, Double H Local, Storden Highway Local, Berner Local, Pioneer Local, and Sunny Side Farmers Union Local, No. 33.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas agriculture is a major industry in this community and in Minnesota; and

Whereas the lowering of farm supports on dairy products, wheat, corn and the feed grains would create increased hardship in our area; and

Whereas price protection is needed on livestock and poultry because these products make up a large percentage of the cash farm income of this community; and

Whereas the community is losing millions of dollars in income and purchasing power each year because farmers are not receiving prices which give them a return equal to the cost of production and living; and

Whereas the farm credit situation is serious and capital is lacking both to finance 1953 operations and to make the needed repairs and replacements on the farm; and

Whereas the lack of farm buying power is holding back a large volume of purchases, repairs and investment in new buildings and machinery, which contribute in turn to a drop in business activity and employment in the city: Now, therefore, be it

Resolved, That we the Sunny Side Farmers Union Local, No. 33, urge the Congress to take into consideration that the best and most direct method of forestalling the growing business recession and aiding small business in our community would be to take immediate steps to restore farm prices to a full parity level; be it further

Resolved, That the Congress be urged to oppose the recommendations for still lower farm price support levels, and instead to approve measures which will restore farm prices to a higher level at which the sale of farm products will give farmers a fair purchasing power; and be it finally

Resolved, That copies of this resolution be sent to our Members of the House and Senate in the Congress and to other interested officials.

Dated at Crookston, Minn., March 14, 1958.
CLARENCE WENTZEL,
President, Fisher, Minn.

APPROPRIATIONS FOR PUBLIC WORKS—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution from the town board of supervisors, town of Great Scott, Kinney, Minn., requesting appropriations for public works as a partial remedy for the serious unemployment situation on the Mesabe Iron Range.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

Resolution

Whereas a serious unemployment and unstable economic situation exists in our immediate area and the Mesabe Iron Range, with hundreds of iron ore miners unemployed and many more to be laid off as time goes on; and

Whereas this serious situation has created undue hardship and suffering upon these unemployed and their families: Now, therefore, be it hereby is

Resolved, That the town board of supervisors, town of Great Scott, Kinney, Minn., request the Congress of the United States of America to appropriate Federal funds and aid for a public works program in this area affected by this serious unemployment situation and thus help relieve the undue hardship of these unemployed and their families; and to effectuate the securing of the same, copies of this resolution will be sent to Hon. Congressman JOHN BLATNIK, Hon. Senator HUBERT HUMPHREY, and Hon. Senator EDWARD THYE.

Supervisor Deanovic moved the adoption of the foregoing resolution and upon support thereof by Supervisor Aaby the same was adopted and so declared at a duly called meeting held March 4, 1958, by the following vote: Ayes, 3; nays, 0.

CHARLES KOSOLA,
Township Chairman.

Attest:

EVERT MALIN, Clerk.

VETERANS' BENEFITS—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution from the Fifth District American Legion, Department of Minnesota, concerning veterans' benefits.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Resolution

Whereas in the present Congress there are many legislative bills and proposals to reduce veterans' pensions, to make small lump-sum payments against all future claims to veterans with war disabilities and to merge the programs administered by the Veterans' Administration with Federal social-security programs and to freeze the number of beds available in veterans' hospitals; and

Whereas it is the policy of the American Legion to oppose any such legislative or administrative attempts to merge the Veterans' Administration programs with the social-security programs; and

Whereas it is the policy of the American Legion to oppose any cutbacks on present veterans' pensions or hospital beds available: Therefore be it

Resolved by Wm. Laidlaw Post, No. 208, Department of Minnesota, the American Legion, in regular meeting duly assembled on the 17th day of January, 1958, That it does hereby go on record as being opposed to any lowering of income limitations, to any such reduction in veterans' pensions and against making any lump-sum payments against future veterans' claims and against freezing the number of beds now available in veterans' hospitals and against the merging of the Veterans' Administration program with social security; and be it further

Resolved, That each member should write their Senators and Congressmen in Wash-

ington, D. C., and that a copy of this resolution be sent to the Fifth District American Legion and to the Department of Minnesota for current action thereof.

This resolution was adopted by the delegates of the Fifth District American Legion in meeting assembled on March 5, 1958.

FIFTH DISTRICT AMERICAN LEGION,
DEPARTMENT OF MINNESOTA.
M. ALLIGIMI, Adjutant.

Attest:

DAVID S. GOODE, Commander.

PENSIONS FOR WIDOWS AND CHILDREN OF WORLD WAR II VETERANS—LETTER

Mr. HUMPHREY. Mr. President, I recently received a letter from the American Legion Grams-Schmidt Post, No. 475, of St. Clair, Minn., endorsing Senate bill 2966, to provide pensions for widows and children of World War II veterans.

I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA,
SECOND DISTRICT,
GRAMS-SCHMIDT POST, No. 475,
St. Clair, Minn., March 3, 1958.

The Honorable Senator H. H. HUMPHREY.
The Honorable Senator EDWARD THYE.

GENTLEMEN: At the February 1958 meeting of the Grams-Schmidt Post, No. 475, of St. Clair, Minn., a resolution was passed by the membership to back Senate bill S. 2966 which is now before Congress.

We respectfully request that you vote in favor of the bill S. 2966 which is to provide for the payment of a pension to widows and children of veterans of World War II and the Korean conflict on the same basis as widows and children of veterans of World War I.

With kindest regards we remain,

Very truly yours,

FREDERICK J. OLSON, Adjutant.

JOBS AFTER 40—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution adopted by St. Anthony 1247 Aerie, Fraternal Order of Eagles, endorsing S. 3188, a bill which I cosponsored with the Senator from Oregon [Mr. NEUBERGER], relating to old-age employment.

I ask unanimous consent that the resolution be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare and ordered to be printed in the RECORD, as follows:

Resolution

Whereas the Fraternal Order of Eagles is engaged in a nationwide jobs after 40 campaign to eliminate age discrimination in employment as an unwarranted practice which is depriving many thousands of physically sound, skilled, and experienced workers of the means of a livelihood, and which is resulting in a tragic waste of manpower in the American economy; and

Whereas there is now pending in the United States Senate bill S. 3188, introduced by Senator RICHARD L. NEUBERGER, and cosponsored by nine other Senators, to prohibit discrimination because of age in the hiring and em-

ployment of persons by Government contractors; and

Whereas enactment of such proposed legislation would provide employment for many competent workers now barred by age discrimination, and would set an inspiring example by Government for all industry for the adoption of similar policies: Now, therefore, be it

Resolved, That 1247 Aerie of the Fraternal Order of Eagles hereby goes on record for support of bill S. 3188, and urges enactment of this pending legislation into law.

Adopted by St. Anthony 1247 Aerie, Fraternal Order of Eagles, on February 17, 1958.

FRANK LANG,
Worthy President.

Attest:

RALPH WELDELE,
Secretary.

Your support for this bill will be greatly appreciated.

NORMAN ARNESON,
Legislative Committee.

BILLBOARDS ON NEW FEDERAL HIGHWAY SYSTEM—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a copy of the resolution adopted by the executive board of the Minnesota State Horticultural Society concerning billboards along the new Federal highway.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

MINNESOTA STATE
HORTICULTURAL SOCIETY,
St. Paul, Minn., March 14, 1958.

Senator HUBERT H. HUMPHREY.

DEAR SIR: I have the honor of transmitting to you a resolution concerning a matter which this society believes is of vital importance to Minnesota. We respectfully solicit your support of the position stated in the resolution.

Very truly yours,

E. M. HUNT, Secretary.

RESOLUTION PASSED BY UNANIMOUS VOTE OF THE EXECUTIVE BOARD OF THE MINNESOTA STATE HORTICULTURAL SOCIETY, FEBRUARY 17, 1958

Whereas the Minnesota State Horticultural Society, representing more than 10,000 members, is highly conscious of and concerned with the natural beauty of Minnesota as seen from our highways; and

Whereas in our opinion natural beauty is already impaired by advertising signs not adequately controlled by present laws; and

Whereas construction in the near future of 900 miles of Federal highways through scenic parts of Minnesota will open the way to greater impairment of natural beauty; and

Whereas in our opinion it is imperative that steps be taken immediately to safeguard Minnesota's priceless natural beauty along all such new constructions: Be it

Resolved, That this society call upon representatives in Congress and the State legislature to support and further the enactment of any bill now pending in Congress or which may be introduced in the State legislature which will ban advertising signs along the entire routes of the new Federal highways; be it further

Resolved, That this resolution be published in the Minnesota Horticulturist, official publication of the Minnesota State Horticultural Society, and that the secretary is hereby instructed to send copies of this resolution

to the Governor of Minnesota, United States Congressmen from Minnesota, members of the State legislature, the Minnesota commissioner of highways, other State and Federal officials as may seem appropriate, and communications mediums in Minnesota.

FEDERAL FUNDS FOR HIGHWAYS— RESOLUTION

Mr. HUMPHREY. Mr. President, I recently received a resolution adopted by the Beltrami (Minn.) County Board of Commissioners, urging support by Members of Congress for House bill 9821, providing Federal funds for highways.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Resolution requesting our Senators and Representatives in Congress to support H. R. 9821

Whereas there is now a bill in Congress, known as H. R. 9821, which provides for appropriations of Federal aid funds for highways for the years 1960 and 1961; and

Whereas these funds are urgently needed for construction of roads, which could not possibly be financed without these funds: Therefore be it

Resolved, That our Representatives in Congress and Senators be requested to support H. R. 9821 to the fullest extent possible; be it further

Resolved, That said Representatives and Senators also be requested to urge the Bureau of Public Roads to make allocations of 1960 Federal funds in August of this year, in order to make funds available for programming at the proper time; be it further

Resolved, That copies of this resolution be sent to Senators THYE and HUMPHREY and to Representative COYA KNOTSON and to Representative BLATNIK and to Minnesota Good Roads, Inc.

Resolution was seconded by Commissioner Caughey and, upon being put to vote, was unanimously carried.

UNEMPLOYMENT IN HENNEPIN COUNTY, MINN.—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution adopted by the Board of County Commissioners for Hennepin County, Minn., regarding the unemployment situation in Hennepin County and proposing work projects to relieve the situation.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Whereas there is now a serious unemployment situation in this area; and

Whereas the Federal highway program and other Federal programs such as the lower loop redevelopment, construction of a Federal court building, post office, schools, housing, and the upper harbor in Minneapolis would create work projects which would help relieve the unemployment situation: Now, therefore, be it

Resolved, That the Congressmen and Senators from Minnesota be urged to do everything within their power to move these

work projects along and to advance them wherever possible.

The vote on the motion was as follows: Ainsworth, absent; Eberl, yea; Hanson, yea; Scott, yea; Chairman Matthews, yea.

Motion carried.

APPROPRIATIONS FOR DISASTER RELIEF—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution adopted at the Farm Forum Meeting held on March 7, 1958, at Bagley, Minn., under the chairmanship of L. J. Lee. The resolution concerns the appropriation of funds for disaster relief.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

FLOOD RELIEF RESOLUTION

Whereas many farmers in Minnesota were subject to disastrous floods during 1957 and suffered from partial and, in many cases, total loss of income and are urgently in need of immediate relief: Be it

Resolved, That such funds appropriated by Congress for the alleviation of disasters, be dispensed to these disaster areas immediately so that their farm operations can be continued and that their means of livelihood be assured.

Adopted at farm forum meeting March 7, 1958, Bagley, Minn., 170 farmers present.

L. J. LEE, Chairman.

ADDITIONAL FUNDS FOR COMMITTEE ON POST OFFICE AND CIVIL SERVICE—REPORT OF A COMMITTEE

Mr. JOHNSTON of South Carolina. Mr. President, from the Committee on Post Office and Civil Service, I report favorably, without amendment, the resolution (S. Res. 273) to provide additional funds for the Committee on Post Office and Civil Service. I ask unanimous consent to have printed in the RECORD at this point a statement which I have prepared regarding the resolution.

The PRESIDENT pro tempore. The resolution will be referred to the Committee on Rules and Administration; and, without objection, the statement will be printed in the RECORD.

The statement presented by Mr. JOHNSTON of South Carolina is as follows:

STATEMENT BY SENATOR JOHNSTON

Senate Resolution 273 was unanimously reported without amendment by the Senate Committee on Post Office and Civil Service and by the Senate Committee on Rules and Administration. It provides \$10,000 for routine expenditures of the committee such as telephone expense and the expense of shorthand reporters for reporting committee meetings and hearings in connection with postmaster nominations and legislation before the committee.

Under the Legislative Reorganization Act, each committee is allotted at the beginning of a Congress the sum of \$10,000 to take care of the functioning of the committee (general housekeeping affairs). When that sum has been exhausted, it is customary to offer a resolution, such as the one now pending. Senate Resolution 273 is of a routine nature and I, therefore, ask that it be approved by the Senate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PROXMIRE (for himself, Mr. MURRAY, Mr. MORSE, Mr. LANGER, Mr. NEUBERGER, and Mr. MANSFIELD):

S. 3514. A bill to establish a National Food Allotment Program to augment the diets of low-income and needy persons and families, to encourage the constructive utilization of abundant food supplies, to improve the economic condition of agriculture and the food processing and marketing industries, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 3515. A bill for the relief of Alyda M. J. Kalmeijer; to the Committee on the Judiciary.

By Mr. DIRKSEN:

S. 3516. A bill to authorize the construction of a courthouse and a Federal office building in Chicago, Ill., and for other purposes; and

S. 3517. A bill to authorize the construction of a courthouse and a Federal office building in Chicago, Ill., and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. DIRKSEN when he introduced the above bills, which appear under a separate heading.)

By Mr. CLARK:

S. 3518. A bill to permit the mailing of certain canes for the blind at the same rates as other appliances for the blind; to the Committee on Post Office and Civil Service.

By Mr. MAGNUSON (for himself and Mr. BUTLER):

S. 3519. A bill to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KERR (for himself and Mr. MONRONEY):

S. 3520. A bill to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to certain other projects; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. KERR when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER:

S. 3521. A bill to amend Section 5 of the Administrative Procedure Act; to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 3522. A bill for the relief of Sheu Shei Lan; and

S. 3523. A bill for the relief of Benedict Eremenko (Ben Zuke) and Victor Tatarnikov (Victor Kalin); to the Committee on the Judiciary.

NATIONAL FOOD ALLOTMENT PROGRAM

Mr. PROXMIRE. Mr. President, on behalf of myself and the senior Senator from Montana [Mr. MURRAY], the senior Senator from North Dakota [Mr. LANGER], the senior Senator from Oregon [Mr. MORSE], the junior Senator from Oregon [Mr. NEUBERGER], the junior Senator from Montana [Mr. MANSFIELD], and the junior Senator from Pennsylvania [Mr. CLARK], I introduce for proper reference a bill to establish a national food-allotment program to augment the diets of low-income and needy persons

and families, to encourage the constructive utilization of abundant food supplies, to improve the economic condition of agriculture and the food processing and marketing industries, and for other purposes.

Many of us are deeply troubled, Mr. President, by the cruel paradox of surpluses of food in the presence of millions of hungry, undernourished Americans.

The Department of Agriculture estimated in 1956 that there were 25 million Americans—comprising 1 family in 7—who were unable, by spending as much as 40 percent of their total family incomes, to purchase enough food to provide the minimum diet needed for adequate nutrition.

Forty percent of the total family budget is an extremely heavy share to spend for food, particularly with other cost-of-living items in the family living budget at the highest point in history. Yet, even with such a heavy proportionate expenditure for food, these low-income families could not obtain enough to eat to provide adequate diets to maintain good health and to raise strong, healthy children.

Since these estimates were made in 1956, the economic situation has grown very much worse. Unemployment has climbed by more than 2 million since that time.

The food stamp program which I am proposing would enable these underfed American families to increase their food consumption to what nutrition experts in the Department of Agriculture have testified is the minimum standard needed for good nutrition.

I ask unanimous consent, Mr. President, to have printed in the RECORD, a statement I have prepared describing this food stamp program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FOOD STAMP PLAN—ENOUGH TO EAT FOR ALL AMERICANS

(Statement by Senator PROXMIRE)

Here is how the national food allotment program provided for in my food stamp bill would operate:

Families who wished to do so could purchase food coupons or "stamps" redeemable at their regular grocery stores for the purchase of food. They could buy enough coupons to provide adequate diets for every member of the family at a cost of 40 percent of the total family income, or one-fourth of the retail value of the coupons, whichever is greater.

The Department of Agriculture estimates that the retail cost of the food needed to provide a minimum adequate diet for a family of four would be about \$22 per week. Under this proposal, a family of four persons could obtain \$22 worth of food coupons for 40 percent of the family's total income, down to a minimum of \$5.50 per week.

It would be to the advantage of any such family of four having a total family income of less than \$55 per week to buy the food coupons. They could obtain a greater retail purchasing power in coupons with 40 percent of their income than the coupons would cost.

Food store dealers could cash in the coupons which they accepted in payment for food, through their regular bank.

MANY CHILDREN AMONG UNDERFED

A program of this kind is urgently needed to eradicate the shame of malnutrition in a nation which boasts of the world's highest standard of living at a time when many in high and responsible positions are maligning our blessing of abundant food as a burdensome surplus.

The need for additional purchasing power to buy sufficient food is concentrated among families with many children. There are nearly 2 million American families of 7 persons or more. For 41 percent of these families, 40 percent of the total family income is not sufficient to buy enough to eat for adequate nutrition. These families receive annual incomes of less than \$571 per person.

Surely adequate diets for healthy development of these millions of American children is the kind of social and economic investment that we cannot afford to ignore, and one that is bound to repay itself in many ways, many times over.

The Department of Agriculture study of probable results from a food-stamp program indicates that the low-income families who would be eligible under this bill would greatly increase their consumption of certain kinds and quantities of foods if additional purchasing power were made available to them.

WOULD BOOST FOOD SALES

Assuming that families with annual incomes of under \$2,000 were to increase their consumption to the level actually consumed by families with annual incomes ranging from \$2,000 to \$3,000, the following estimated changes in consumption by these lower income families would take place:

Fresh fruits: 25 percent increase.
Fresh vegetables: 17 percent increase.
Canned and frozen fruits and vegetables and juices: 50 percent increase.
Dried fruits and vegetables: Decrease of 19 percent.
Potatoes: 9 percent increase.
Meat, poultry, fish: 27 percent increase.
Milk (including nutritional equivalent of cheese, ice cream): 18 percent increase.
Eggs: 11 percent increase.
Bakery products: 28 percent increase.
Flour, meal, pastes, cereals: Decrease of 24 percent.
Fats and oils, including butter: 2 percent increase.
Sugar, sweets: No change.
Total food consumption: 34 percent increase.

The Department of Agriculture's study indicated that families having annual per family incomes of \$2,000 to \$3,000 spend 44 percent more money for food than the average family of the same size having annual incomes of \$2,000 or less. This is a measure of the real deprivation that exists in our economy; few families of 3.5 persons average size can afford to overeat on a total annual family income of \$2,000 to \$3,000. Any family which buys less clearly must suffer from undernutrition.

The food-stamp program provided for in this bill would expand the consumption of food in our national economy by about 3 percent. This would constitute an impressive contribution to two extremely important national problems—the problem of agricultural surpluses, and the problem of expanding the overall national economy and volume of business.

HELP SOLVE SURPLUS PROBLEM

In recent years, overall farm production has not been more than 1 or 2 percentage points in excess of consumption. The surplus problem, however, has been concentrated in commodities other than those for which demand would be most increased by the enactment of a food-stamp plan.

Therefore, establishment of a food-stamp program would not be a cure-all for the

farm problem; a sound and effective farm-income improvement and protection program would be required along with it. But it would make these important contributions to the farm economy:

1. Demand and prices of high-quality foods, including all livestock products, fresh fruits, and vegetables—would be strongly bolstered.

2. Some decline in the rate of accumulation of surplus commodities—particularly feed grains—would occur.

3. Some shift in production out of other surplus commodities to those for which demand would be primarily increased would be encouraged.

4. Total farm income would be increased, and the incomes of many individual farmers would be improved.

BOOST TO FOOD TRADES

An impressive boost would be given to the entire food producing, processing, and marketing economy through establishment of this food-stamp program.

A 3 or 4 percent expansion in the volume of food sold would be of much greater relative importance to business enterprises concerned. This is because of one of the most creditable aspects of this plan—that it would utilize the distribution facilities of the regular commercial trade channels. It would not require the establishment of a wasteful, cumbersome, and clumsy Government food-distribution bureaucracy to serve part of the population, while the private businesses serve the rest.

An expansion of the food trade of this size, 3 or 4 percent, could be accomplished in many cases at no extra cost to the private businesses who would handle the food. The stores are already there, in operation—the increased volume of sales resulting from operation of this program would not require additional buildings, employees, or equipment and facilities for most of the grocery stores, processing plants, and other distribution trades. The gross margin on this extra business at each stage of the food processing and marketing industry would be almost entirely an addition to net profit—because the extra business can be handled with little or no increase in fixed operating costs. It would provide a real boost for business—including the many truly independent small businesses that operate in the food trades.

REVENUE-GENERATING PROGRAM

This brings me to one of the most attractive features of all in this kind of economic program: It will add relatively little to the Nation's real tax burden. This is true because it is a revenue-generating program. It will expand our overall economy so much that it will create almost as much new tax revenue as it will cost to operate the program.

Almost the entire expenditure by the Government to finance food coupons for buying additional food will represent a direct increase in the incomes of various stages of the food industry—because it will add relatively little to fixed costs of the industry. Insofar as the profits of corporations in the food industry are expanded thereby, approximately one-half will return to the Federal Government as tax revenue.

Similarly, farmers who enjoy additional sales will also make larger tax payments.

But the income expansion of farmers who produce the commodities for which demand will be increased will be greater than a straight proportionate increase. According to economic studies, the prices received by farmers for food commodities of this type tend to increase by 4 or 5 or more percentage points for each 1 percent increase in demand.

By expanding farm income broadly, with higher prices for a wide range of farm commodities, the taxable incomes of farmers

will be expanded considerably more than the 3 or 4 percent by which food consumption itself will be raised.

COST COMPARATIVELY SMALL

Not all of the approximately 25 million people who would be eligible to supplement their food-buying power under this program would participate. The total direct cost of operating this program at its maximum scale—without taking the revenue-generating features into account—would probably be in the neighborhood of \$1.5 billion. The actual scale of operation each year would be dependent upon appropriations by Congress.

This represents a far more humane and constructive approach to the paradoxical problems posed for the Nation by its abundance of food than those that have been tried in recent years. Within the past 5 years, the waste of food by our Federal Government has exceeded any precedent in all history.

For example, under the Soil Bank program instituted at the recommendation of the President 2 years ago, the Government has paid or committed a total of over \$1.6 billion to pay farmers to destroy and to not produce crops.

The magnitude of this waste staggers the imagination. This enormous expenditure represents the direct destruction and subsidized nonproduction of sufficient grain to provide bread for the entire population of the United States for a full year's time—plus some ham and eggs, and a couple of cotton shirts for every man, woman, and child in the Nation.

The enormity of this waste must be a crushing burden on the conscience of any decent person who contemplates today's world—where there are millions who suffer from malnutrition and outright starvation. Its shame must oppress everyone who sees the misery and deprivation of 25 million of our own neighbors, who do not get enough to eat to maintain their health.

It is time that decent Americans asserted themselves in behalf of decent and constructive utilization of the abundant blessings that God has bestowed upon this land.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3514) to establish a national food allotment program to augment the diets of low-income and needy persons and families, to encourage the constructive utilization of abundant food supplies, to improve the economic condition of agriculture and the food processing and marketing industries and for other purposes, introduced by Mr. PROXMIER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

CONSTRUCTION OF FEDERAL BUILDINGS IN CHICAGO, ILL.

Mr. DIRKSEN. Mr. President, I introduce, for appropriate reference, two bills dealing with the same subject matter. One would authorize by means of lease-purchase the construction of a court building and a Federal office building in Chicago, with a maximum cost limit of \$98 million. The other would approach the same subject by means of direct appropriations.

With the latter bill I submit a section-by-section analysis, which I ask unanimous consent to have printed in the RECORD.

The PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the section-by-section analysis will be printed in the RECORD.

The bills, introduced by Mr. DIRKSEN, were received, read twice by their titles, and referred to the Committee on Public Works, as follows:

S. 3516. A bill to authorize the construction of a courthouse and a Federal office building in Chicago, Ill., and for other purposes; and

S. 3517. A bill to authorize the construction of a courthouse and a Federal office building in Chicago, Ill., and for other purposes.

The section-by-section analysis presented by Mr. DIRKSEN is as follows:

SECTION-BY-SECTION ANALYSIS OF BILL

Section 1 of the bill authorizes the financing and construction of a courthouse and a Federal office building in Chicago, Ill., by the Administrator of General Services pursuant to the Public Buildings Purchase Contract Act of 1954, as amended. The proviso makes inapplicable three provisions of the present act. First, it eliminates the requirement that the contracts provide for equal annual payments to amortize the principal with interest thereon in order to permit the commencement of such payments during construction, if this is desired. It also eliminates the limitation on the aggregate of all annual payments applicable to the program as a whole which limitation should not apply to this special legislation. Second, the limitation of the aggregate annual amount of payments under a purchase contract to 15 percent of the fair market value is eliminated. Any arbitrary limitation on the percentage of the fair market value which may be amortized annually might render the contract impossible of performance. New construction is involved under this bill. It is most impracticable, if not impossible, to determine in advance and before completion, what the fair market value will be upon completion. Third, making subsection (e) of section 411 of the act inapplicable, eliminates the approval of the project by the Director, Bureau of the Budget and the respective Public Works Committees of the Senate and House since this bill constitutes such authority.

Section 2 would permit the vesting of title to the buildings in the Government coincidental with the commencement of the purchase term. In the event the contract or contracts for the two buildings so provide, the requirement of subsection (1) of section 411 of the act that the real property acquired shall be subject to State and local taxes until title passes to the Government becomes unnecessary and, accordingly, is made inapplicable.

Section 3 authorizes the Administrator of General Services to increase the limit of cost specified in section 1 of the bill commensurate with the increases in construction costs generally dating from the enactment of the bill. Experience has indicated that there is an increase in construction costs between the time authorizing legislation is passed, an appropriation made, and the date construction bids are obtained.

Section 4 makes 4 technical and clarifying amendments of the basic act. Subsection (a) would amend subsection (c) of section 411 of the act by broadening the scope of the type of organization with which the Administrator of General Services might enter into agreements. Subsection (b) would add a new subsection to section 411 of the act intended to cure a major deterrent to the implementation of the act. Various potential sources of financing have indicated a lack of interest because of the

fact that the Government's contractual obligation to make the annual payments due is the sole financial security. The pledge of the full faith and credit of the United States would materially aid market acceptability. Subsection (c) is a technical amendment of the act designed specifically to remove questions heretofore raised by counsel for financing institutions as to whether the terms "purchase contracts" or "purchase contract" as used in the act include any contract or series or group of contracts entered into by the Administrator of General Services as necessary to implement and effectuate the purposes of the act. Subsection (d) adds a new subsection to section 411 of the act. Counsel for potential investors of pension funds expressed the opinion that in the absence of a court decision or amendatory legislation, it had serious doubt as to whether a financing institution, acting as pension trustee, could qualify as an assignee under the Assignment of Claims Act of 1940, as amended. The question is not absolutely free from doubt even though the Comptroller General of the United States, by decision dated October 9, 1956, specifically held that the validity of the assignment of the proceeds of a Government contract is not impaired by the fact that the indebtedness secured by the assignment represents an investment of trust funds, where legal title to, and control of such funds are vested in a bank or trust company. Accordingly, new subsection (m) has been drafted to eliminate this obstacle and enable participation of additional sources of financing.

Section 5 is the usual provision in an authorizing act providing for the appropriation of the necessary funds to implement the bill.

Mr. DIRKSEN. Mr. President, for the RECORD I would make this amplified statement. At the present time the Federal Government leases 1,916,945 square feet of office space in the city of Chicago. The annual rental is \$3,849,327. The Federal personnel is scattered in 134 buildings in the city of Chicago. No one will contend that that is very efficient operation.

In addition to this rental space, the Federal Government also owns six buildings in the city of Chicago, with a value of \$36 million. They are the Post Office Building, the Custom House, the American Fore Building, the United States Court House, the Appellate Court, and the Rand McNally Building. At the present time 33 Federal agencies operate in Chicago, with a Federal personnel of 33,914.

I believe the construction of a new courthouse and a new Federal office building would be very timely. From the best information we can procure, 40 percent of the unemployed in the city of Chicago are members of the building trades unions.

The plan envisioned is for the progressive relinquishment of the rented space and then the sale, if practical and possible, of the buildings, and then applying the proceeds to the contracts involving the new buildings, the one purchased, of course, from the standpoint of being investor financed, with the title ultimately to vest in the Federal Government; the other, of course, would be by direct appropriations. All the space is exclusive of the post office space and the post office personnel, the former of course, being under Federal ownership.

I believe this plan is very timely, and I hope, as an accommodation to the

solution of the unemployment problem in the metropolitan center at the head of Lake Michigan, this plan can be undertaken.

AMENDMENT OF WATERSHED PROTECTION AND FLOOD PREVENTION ACT

Mr. KERR. Mr. President, on behalf of myself, and my colleague, the junior Senator from Oklahoma [Mr. MONRONEY], I introduce, for appropriate reference, a bill to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to certain other projects.

This bill, if enacted, would amend Public Law 566, 83d Congress, as amended by Public Law 1018, 84th Congress. The purpose of the amendment is to extend the authorization of loans contained in Public Law 1018 to 11 watershed projects authorized under section 13 of the Flood Control Act of 1944.

Construction of watershed works of improvement in these 11 projects has been under way for a period of 10 years. They are generally identical in character to the types of improvements provided for in Public Law 566, as amended. The 11 watersheds include a total of about 30 million acres in New York, Pennsylvania, Maryland, Virginia, West Virginia, Georgia, Mississippi, Oklahoma, Texas, Iowa, and California.

Because the programs in these 11 watersheds were already authorized, the Department has not accepted applications for assistance within their boundaries under the provisions of Public Law 566, as amended. The only form of assistance not available in these 11 watersheds which can be obtained under authority of Public Law 566, as amended, is the securing of Federal Loans under the provisions of section 8 of Public Law 566, as amended.

The purpose of the bill is to further amend Public Law 566 to make the provisions of section 8 applicable to the 11 watersheds authorized in the Flood Control Act of 1944 in the same manner as it is applicable to all projects originated under Public Law 566 throughout the remainder of the United States.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3520) to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to certain other projects, introduced by Mr. KERR (for himself and Mr. MONRONEY), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—AMENDMENTS

Mr. JENNER submitted an amendment, intended to be proposed by him to the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954, which was or-

dered to lie on the table and to be printed.

Mr. HUMPHREY submitted amendments, intended to be proposed by him, to Senate bill 3420, supra, which were ordered to be printed.

Mr. CASE of South Dakota submitted an amendment, intended to be proposed by him, to Senate bill 3420, supra, which was ordered to lie on the table, and to be printed.

ESTABLISHMENT OF PUBLIC LANDS MANAGEMENT STUDY COMMISSION—AMENDMENT

Mr. MAGNUSON (for himself and Mr. JACKSON) submitted an amendment, in the nature of a substitute, intended to be proposed by them, jointly, to the joint resolution (S. J. Res. 49) to establish the Public Lands Management Study Commission, and for other purposes, which was referred to the Committee on Interior and Insular Affairs, and ordered to be printed.

AMENDMENT OF INTERNAL REVENUE CODE TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS AND TO MAKE TECHNICAL CHANGES—AMENDMENT

Mr. SMATHERS submitted an amendment, intended to be proposed by him to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. YARBOROUGH:

Address entitled "To the Stars, Through Difficulty," delivered by him at the Fourth Congressional District Democratic rally at Wichita, Kans., on November 25, 1957.

NOTICE OF CONSIDERATION OF THE NOMINATION OF HORACE H. SMITH TO BE AMBASSADOR TO LAOS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I wish to announce that the Senate on March 17, 1958 received the nomination of Horace H. Smith, of Ohio, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Laos, vice J. Graham Parsons.

Notice is given that the nomination will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

NOTICE OF HEARING ON NOMINATION OF GEORGE HARROLD CARSWELL TO BE UNITED STATES DISTRICT JUDGE, NORTHERN DISTRICT OF FLORIDA

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, March 26, 1958, at 10:30 a. m., in room 424 Senate Office Building, upon the nomination of George Harrold Carswell, of Florida, to be United States district judge, northern district of Florida, vice Dozier A. DeVane, retired.

At the indicated time and place persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Indiana [Mr. JENNER], and myself, as chairman.

AID FOR UNEMPLOYED

Mr. CLARK. Mr. President, a few days ago I had occasion to call to the attention of my colleagues the distressed economic situation in the Commonwealth of Pennsylvania, and to suggest specific measures which might be passed in this session of Congress to help ease that economic disability.

Today I call attention to a bill introduced on Monday by the distinguished junior Senator from Wisconsin [Mr. PROXMIRE], which I have cosponsored, to broaden the present statutory authority with respect to the distribution of food to the needy. The bill would direct that funds available and in the hands of the Secretary be put to use to provide an increase of quantities and from the standpoint of a balanced diet, a better selection of food which our economy produces in such abundance.

On the 27th of February 1958, the Council of the City of Philadelphia adopted a resolution requesting the Secretary of Agriculture to make available, through the Federal surplus food distribution plan, increased quantities and a greater variety of surplus food. I ask unanimous consent that a copy of the resolution may appear in the RECORD at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution 235

Resolution requesting the Secretary of Agriculture of the United States to make available through the Federal surplus food distribution program increased quantities and greater varieties of surplus food, with more frequent distributions

Whereas the extent of the current widespread unemployment in the city of Philadelphia is revealed by the fact that unemployment has increased from 60,000 in September to 100,000 in January with similar increases in applications for aid for dependent children and applications for public assistance; and

Whereas these figures are only a partial reflection of distress being experienced by the citizens of this city as a result of the business recession; and

Whereas citizens unable to obtain adequate relief through established channels are in need of supplies of food; and

Whereas the Federal surplus food program currently being distributed by the city of Philadelphia is limited to flour, cornmeal, dried milk and cheese, with a total retail value of such foodstuffs amounting to approximately \$1.25 per person, per month; and

Whereas substantial stockpiles of surplus foodstuffs of these types and others not presently supplied exist in Government warehouses: Therefore

Resolved by the Council of the City of Philadelphia, That the Secretary of Agriculture of the United States is hereby requested to make available through the Federal surplus food distribution program increased quantities and greater varieties together with more frequent distributions of said surplus food for the duration of the present emergency;

Resolved, That certified copies of this resolution be forwarded to the Secretary of Agriculture of the United States and to the United States Senators from Pennsylvania and to the Members of the House of Representatives representing the Congressional Districts located in the city of Philadelphia and to the Governor of the Commonwealth of Pennsylvania.

Mr. CLARK. Mr. President, about 3 weeks ago, I, together with a number of my colleagues in the other body of Congress from western Pennsylvania, called on the Secretary of Agriculture and urged him strongly to take whatever administrative action was necessary to expand the surplus food program. I hope our call did not fall on deaf ears, although nothing constructive has been done to date.

At this moment the distinguished mayor of Philadelphia, the Honorable Richardson Dilworth, is in the office of the Under Secretary of Agriculture to make the same plea for his great city, located at the other end of the State. I hope also that plea will be effective, and that prompt administrative action will be taken to broaden the surplus-food program.

In the meantime, I have received from the Governor of Pennsylvania, the Honorable George M. Leader, a telegram directing my attention to the fact that thousands and thousands of Pennsylvanians have used up all their unemployment compensation and are now, in many cases, on relief, and are absolutely in need of the surplus-food program.

I ask unanimous consent that the telegram I received from Governor Leader may appear at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

HARRISBURG, PA., March 18, 1958.

HON. JOSEPH S. CLARK, JR.,
Senate Office Building,
Washington, D. C.:

Urge you support Federal extension of unemployment compensation benefits. Number of Pennsylvania claimants exhausting benefit rights sharply increasing. Eighty-seven hundred in January, 10,200 in February. Estimate 12,000 in March and 16,000 in April. Prompt reinstatement of these people to eligible status is urgent to increase purchasing power of these families. Urge support of plan to grant each claimant 13 additional weeks of eligibility at State rates. Urge you oppose legislation to extend all benefits to 39 weeks or any other fixed figure, since this would favor other States over Pennsylvania. We already provide 30 weeks. Thirty-nine-week plan undesirable since average State would get 13 additional weeks

while Pennsylvania would get 9. Details will be forwarded in early mail.

GEORGE M. LEADER,
Governor of Pennsylvania.

Mr. CLARK. Mr. President, I hope that, as a result of activity by so many Members of this body with respect to the difficult situations existing in their particular States, prompt and effective action will be taken in connection with the extension of unemployment compensation, and also with respect to the distribution of surplus food, both of which are so badly needed as an aid in the plight of the unemployed.

Mr. President, I turn briefly to another subject.

The PRESIDENT pro tempore. The Senator from Pennsylvania has the floor.

AID TO INDIA

Mr. CLARK. Mr. President, on March 17 a colloquy occurred in the Senate between the distinguished Senator from Kentucky [Mr. COOPER] and his distinguished colleague from Indiana [Mr. JENNER], in which the question of aid to India was rather hotly debated, with disagreement between my two friends on the other side of the aisle.

It so happens I had read that day an article entitled "India: Crucial Test of Foreign Aid," the author of which was the Honorable JOHN SHERMAN COOPER, which appeared in the Sunday magazine section of the New York Times.

The article states so succinctly and clearly the vital need for giving foreign aid to India, for our own purposes, because of our own sense of compassion, as well as a sense of our own well-being, that I ask unanimous consent it may be printed in the RECORD at this point in my remarks.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield in that regard?

Mr. CLARK. I will yield in a moment.

Mr. President, for my own small part I should like to associate myself completely with the stand taken by the Senator from Kentucky [Mr. COOPER], and I hope that when the time comes for action many of us on both sides of the aisle will see not only the wisdom but the justice of extending to free and democratic India the aid so badly needed to enable India to remain on the side of freedom.

I am happy to yield now to my friend, the Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I am very happy to hear what the distinguished Senator from Pennsylvania has said. I am pleased to inform him that I noticed the same article, and I had the great privilege of having the article printed in the RECORD yesterday, with a commendation of the Senator from Kentucky [Mr. COOPER] along the line of that presented today by the Senator from Pennsylvania.

Mr. CLARK. Under those circumstances, Mr. President, I withdraw my request that the article be printed in my remarks today. I had not realized the Senator from New Jersey had the article printed in the RECORD yesterday.

Mr. President, I yield the floor.

PRESIDENTIAL OPPOSITION TO PRICE-SUPPORT FREEZE

Mr. SYMINGTON. Mr. President, in an address yesterday before members of his own party, the President stated:

The Senate bill passed last week freezing rigidly the price-depressing practices of the past, represents in my opinion a 180-degree turn in the wrong direction—the direction that can only lead to chaotic controls and perpetual troubles for the farmer. The administration program seeks to make Government a real partner of the farmer—not his boss.

In making this statement, the President not only takes direct issue with a majority of the Senate, but also with a majority of the members of the Senate Agriculture Committee, including the three ranking Republican members.

In addition, the President takes direct issue with the ranking Republican member of the Judiciary Committee; and also with the ranking Republican member of the Foreign Relations Committee.

When it comes to a definition of his conception of "partnership," it is interesting to note who have been, and are, the real partners of this administration among those who produce, process, distribute, and consume the products of agriculture.

In 1952 the farmer received 47 cents of every dollar spent by consumers for food.

Last year the consumer paid more for food than he did in 1952, but the farmer's percent of the retail food dollar dropped 7 cents, from 47 cents to 40 cents.

Between 1952 and 1957 total farm production was up 6 percent.

Farm prices were down 16 percent.

Farm parity ratio was down 18 percent.

Total farm income was down 20 percent. Realized net farm income for 1957 is at its lowest point since 1942.

Family farm purchasing power of that farm income was down 24 percent, the lowest since 1940.

In 1957, total farm debt reached an all-time high of \$19.5 billion.

Farm mortgage debt is at its highest level since the early 1920's.

All this tremendous reduction in the farmer's position occurred at the same time corporate profits increased 14 percent, average weekly wages in industry increased 21 percent, and the Nation's gross national product increased 26 percent.

During this period, the Department of Agriculture's budget expenditures have almost doubled—from \$2.5 billion in the fiscal year 1954 to an estimated \$4.9 billion in fiscal 1958.

Now let us look further at the record to determine who have been partners with whom.

Profits of the food manufacturers, after taxes, were 36 percent higher in 1956 than they were in 1952.

It would appear, however, that these increased profits will not continue, because, as predicted by some of us on this floor for years, the warning of many farm leaders that recessions have invariably been farm bred and farm led may be turning out to be only too true.

FINAL COMMUNIQUE FROM SEATO COUNCIL

Mr. SMITH of New Jersey. Mr. President, last Friday the text of the final communique from the fourth annual meeting of the SEATO Council, at Manila, was published in the press.

The communique reemphasized the danger of the Communist menace, and, without minimizing the military threat, stressed the shift of Communist strategy into the economic, political, and cultural fields.

In many ways the tone of the communique was similar to that issued at Paris, last December, by the NATO nations. The policy of a continuing mobilization in many fields of the resources of the Free World against the Communist challenge was clearly set forth by the communique. This included expanding programs of economic, military, and cultural cooperation among the members of SEATO, and facilitation of the exchange of information and opinion between SEATO and other Free World alliances.

Here, as in the NATO communique, is a ringing affirmation that maintenance of Free World security and development is vitally contingent upon mutuality of effort and cooperation among Free World nations.

Mr. President, I ask unanimous consent that a copy of the final communique from the SEATO Council meeting at Manila, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the communique was ordered to be printed in the RECORD, as follows:

[Department of State Release No. 125]

FINAL COMMUNIQUE ISSUED BY THE SEATO COUNCIL, MARCH 13, 1958

The fourth annual meeting of the SEATO Council was held in Manila from March 11 to 13, 1958, under the chairmanship of the Acting Secretary of Foreign Affairs of the Philippines, the Honorable Felixberto M. Serrano.

The Council reviewed the world situation with special attention to the treaty area, approved the work of the organization since the meeting in Canberra a year ago, and considered reports by the Council representatives, the military advisers, and the Secretary-General.

The Council welcomed the appointment of H. E. Nai Pote Sarasin, of Thailand, as Secretary-General of the organization. This position was created at last year's meeting.

SECURITY OF THE REGION

The Council considered the continuing Communist threat to the region. The Ministers reaffirmed their determination to maintain national and collective defense against the possibility of Communist and Communist-inspired armed aggression, while at the same time earnestly working for international disarmament with adequate safeguards covering both nuclear and conventional elements.

SEATO has become a bulwark which has enabled the countries protected hereby to proceed in peace with their programs of national development.

Members of SEATO recognized that a threat to security or to freedom in any region of the world was a threat to security and freedom everywhere.

Some criticism of the aims and objectives of SEATO continues to be heard. The Council agreed that every country has the

right to follow the policy it prefers. The Council noted with regret that some countries nevertheless continue to criticize the collective security arrangements of the Free World, though such arrangements are in accordance with the United Nations Charter.

SUBVERSION

The problems of Communist subversion in the treaty area were discussed at length. It was recognized that this represented the most substantial current menace.

The Council was of the opinion that collective security measures had resulted in the diversion of the emphasis of Communist activities from the military to the nonmilitary field.

Communist and Communist-inspired activity has continued within the treaty area. In countries protected by the treaty there has been a noticeable change of emphasis by the Communists to activity in the economic, political and cultural fields and also to activity within youth and labor organizations.

The Council welcomed the counter subversion measures being taken by the members and noted particularly the success of the seminar on countering Communist subversion held in Baguio in the Philippines last November.

The Council recognized that in view of the insidious character of Communist subversion there was particular danger arising from some non-Communist governments failing to distinguish between the aims and ideals of the Free World and the purposes of international communism.

ECONOMIC ACTIVITIES

The Council heard statements on the economic progress and problems of the treaty area and on what further steps could be taken inside and outside SEATO to attain the economic objectives set forth in the Manila treaty.

A principal means of attaining these objectives continues to be through extensive bilateral and other economic arrangements between the SEATO countries. During the past year over \$700 million for economic purposes was provided for countries covered by the Manila treaty, principally by the United States. This aid is a major factor in preserving peace and genuine independence for countries of the region.

Australia announced that it would make available to the Asian members of SEATO a further 1 million Australian pounds (\$2,240,000) for purposes generally related to SEATO defense; this is in addition to 2 million Australian pounds previously contributed by Australia for these purposes.

The United States announced that \$2 million was being made available to the Asian members of SEATO for vocational and on-the-job training. Australia, France, New Zealand and the United Kingdom also offered to help on various aspects of skilled labor training.

The United States also announced that the major portion of its economic aid was now being directed to the region of Asia. The Council approved in principle a project submitted by Thailand to establish a SEATO graduate school of engineering in Bangkok and several members announced that they would be pleased to participate in providing the necessary funds. The Council agreed to continue and expand its program of cultural activities.

The Council expressed its satisfaction at the holding in Bangkok under SEATO auspices of a roundtable on the impact of modern technology upon traditional cultures in southeast Asia. A number of SEATO fellowships have been awarded and some members are conducting bilateral cultural exchanges.

The Council agreed to continue its fellowships programs and to initiate new cultural projects, the most important being a

scholarship program and the appointment of professors at universities of the Asian members and of traveling lecturers.

RELATIONS WITH OTHER ORGANIZATIONS AND COUNTRIES

The Council expressed its interest in the development of relations with other collective defense organizations of the Free World as well as the facilitation of an exchange of information and opinion between these organizations on a mutually agreeable basis. The Council authorized the Secretary-General to enter into contact with the secretaries-general of other collective security organizations of the Free World.

The Council considered that contacts between SEATO and nonmember states had proved useful in many respects and directed that, as circumstances permitted, such contacts be continued and expanded in the coming years.

WORK OF MILITARY ADVISERS

The Council noted with approval the work of their military advisers and of the military planning office, which has completed its first year's work. Plans in fulfillment of the defensive role of SEATO have been developed to resist aggression in the treaty area. Since the last Council meeting four major SEATO military exercises have been held as well as three multilateral or bilateral exercises. These have served effectively to increase the degree of cooperation between the forces of the SEATO powers and to make them more ready for speedy action in the event of any sudden attack. The Council authorized a further program of combined exercises.

The Council learned with regret the news of the relief of Brig. Gen. Alfredo M. Santos, who has been the first Chief of the SEATO Military Planning Office. He is returning for reassignment in the Philippines.

The United States and the Philippines announced that they intend to cosponsor a defense college to be located in the Philippines. This would be open to members and nonmembers of SEATO. The Council took note of this announcement with particular interest.

NINETEEN FIFTY-EIGHT AND NINETEEN FIFTY-NINE BUDGET

The Council approved budget estimates totaling \$850,360 for the financial year 1958 and 1959, to cover the cost of the Secretariat-General and Military Planning Office in Bangkok and to finance certain joint programs.

NEXT MEETING

The Council accepted with pleasure the invitation of the New Zealand Government to hold its next annual meeting in Wellington.

CONCLUSION

The Council considered that the work of the present meeting had helped to consolidate the work already achieved by SEATO. They placed on record their determination to continue to work together for the security and progress of South-East Asia in accordance with the principles and purposes of the Charter of the United Nations. The Council members again emphasized the defensive character of SEATO and reaffirmed the principle that international disputes be settled peacefully in accordance with the principles of the United Nations Charter.

The representatives attending the fourth SEATO Council meeting were: Australia, Rt. Hon. R. G. Casey; France, M. Christian Pineau; New Zealand, Rt. Hon. Walter Nash; Pakistan, Hon. Nawab Moazzam Ali Khan Qizilbash; Philippines, Hon. Felixberto M. Serrano; Thailand, H. R. H. Prince Wan Waithayakon Krommum Narabhin Bongsprabandh; United Kingdom, Rt. Hon. Selwyn Lloyd; United States, Hon. John Foster Dulles.

EXTENSION OF RECIPROCAL TRADE ACT

Mr. SMITH of New Jersey. Mr. President, in the New York Times of March 11 appeared an editorial entitled "The Role of Imports," which describes the readiness of the Department of Commerce to prepare reports showing the overall effect of exports and imports in any Congressional District in the Nation.

Five reports which have thus far been prepared, have graphically demonstrated, the Times states, that—

The economic benefits of imports to the community as a whole have substantially, if not overwhelmingly, overshadowed in importance any temporary unfavorable effects they may have had in the case of industries immediately affected.

That such a condition is inescapable when applied to the American economy as a whole from a long-term standpoint—

The Times asserts—

goes without saying.

Mr. President, I ask unanimous consent that the thoughtful editorial endorsing the extension of the Reciprocal Trade Act be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE ROLE OF IMPORTS

In support of its proposal for a 5-year extension of the Reciprocal Trade Agreements Act the administration has developed what is described as a new tactical weapon. Aware that most of the opposition to this measure stems from individual industries and individual concerns whose representatives have brought pressure to bear on the Congressmen from their districts, the administration has let it be known that the Department of Commerce is ready to prepare a report for any Member of Congress showing the overall effect of exports and imports in his district.

The Department has already made five such studies dealing respectively with two Congressional Districts in Connecticut, two in Michigan, and one in Alabama. These were undertaken, it is understood, at the request of Members of Congress from these five districts. Four of these five reports conclude that foreign trade "contributes greatly to the welfare" of the citizens of the district surveyed; the fifth declares it to be "essential." In some cases it is conceded by the reports that while here and there individual segments of an industry may be adversely affected by competition from abroad, even in such areas the economic benefits of imports to the community as a whole have substantially, if not overwhelmingly, overshadowed in importance any temporary unfavorable effects they may have had in the case of industries immediately affected.

That such a conclusion is inescapable when applied to the American economy as a whole from a long-term standpoint goes without saying. For a nation that provides its domestic producers with the largest free market in the world, and that, on top of this, consistently exports far more than it imports, to stiffen its protectionist policies would be to contradict the antimonopoly philosophy that has been one of the bulwarks of our competitive economy.

EXTENSION OF THE EAST FRONT OF THE CAPITOL

Mr. SMITH of New Jersey. Mr. President, on the subject of the controversy over the extension of the east front of the Capitol, I ask unanimous consent to have printed in the RECORD two items which appeared in newspapers recently. The first is an editorial from the Washington Post and Times Herald of March 14, 1958, entitled "East Front Skirmish," and the second is a letter entitled "Let It Alone," written by Walter M. Whitehill, director, Library of the Boston Athenaeum, published in the Washington Post and Times Herald of March 17, 1958.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of March 14, 1958]

EAST FRONT SKIRMISH

There is no reason to be disheartened by the Senate's failure on Tuesday to block immediately the profligate and dubious scheme to extend the east front of the Capitol by 32½ feet. The Senate vote was only a preliminary skirmish; the final battle still lies ahead. Senator ROBERTSON of Virginia tried the unusual parliamentary tactic of adding legislation to an appropriation bill, a move requiring the suspension of Senate rules. Mr. ROBERTSON's amendment failed to get the required two-thirds margin, but an informal count showed a majority of Senators favored the delaying device. Thus the vote is a bright augury, because another delaying bill introduced by Senator H. ALEXANDER SMITH, of New Jersey, will be coming up on the regular Senate Calendar, requiring only a majority for passage. Mr. SMITH reports that he has been assured an early vote by the Senate leadership. It is unthinkable that the promise will not be honored, since the Architect of the Capitol already has his workmen matching the marble on the stately old facade and is ready to let contracts. Surely the Senate leadership will not dawdle until the clang of wrecking bars makes a vote academic.

[From the Washington Post and Times Herald of March 17, 1958]

LET IT ALONE

T. R. Sullivan, in his Boston Old and New, observed that "in one of Miss Beatrice Herford's entertaining monologues a member of the new Let It Alone Club explains the purpose of its association: namely, to 'look for something which is getting along perfectly well and then—just let it alone.'"

The activities of the special Congressional commission that is bent on squandering some \$10 million of public funds to disfigure the United States Capitol by extending its east front and resurfacing it in marble, indicate the need of a Washington branch of the Let It Alone Club.

In spite of vigorous protests from the American Institute of Architects and the National Trust for Historic Preservation, the Commission proposes changes that would sabotage the designs created by Thornton, Latrobe, and Bulfinch and approved by Presidents Washington and Jefferson, in order to make the distinguished central block match the banal mid-19th century marble wings.

It has, moreover, been reported that the Architect of the Capitol took the amazing stand at a public hearing on February 17 that what was done was not the public's business.

Such goings-on give substance to H. L. Mencken's allegation that the Government is apprehended by the people it governs

not as a committee of citizens chosen to carry on the communal business of the whole population, but as a separate and autonomous corporation, mainly devoted to exploiting the population for the benefit of its own members. They suggest the need for an effective public scold to fill the places left vacant by the deaths of Mencken and Bernard de Voto.

House Minority Leader MARTIN is reported to be the only member of the five-man Commission for the Extension of the Capitol to oppose this foolishness. Vice President NIXON, Speaker RAYBURN, Senator KNOWLAND, and the Architect of the Capitol appear to have adopted as their motto the 18th century line: "Some write their wrongs in marble." Representative MARTIN deserves honorary membership in the Let It Alone Club.

WALTER M. WHITEHILL,
Director, Library of the
Boston Athenaeum.

BOSTON.

Mr. SCOTT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram from Mrs. Boyd Harden, regent, and Mrs. McIver Todd, corresponding secretary, of Battle of Alamance Chapter, Daughters of the American Revolution.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BURLINGTON, N. C., March 17, 1958.

Hon. W. KERR SCOTT,

Washington, D. C.:

Members of Battle of Alamance Chapter, DAR, wish to protest any architectural change in our National Capitol Building.

Mrs. BOYD HARDEN,

Regent.

Mrs. MCIVER TODD,

Corresponding Secretary.

DISTRIBUTION OF BUTTER TO STATES

Mr. AIKEN. Mr. President, a few minutes ago I was advised by the Secretary of Agriculture that as soon as it can be packaged and prepared for distribution, butter owned by the Commodity Credit Corporation will be made available for welfare work in the States. I am sure this will be welcome news, not only to the Members of the Senate who have been advocating such a course for some time, but also to the State officials who have been asking for some of the Government-owned butter to be used in the States during this period of greater-than-usual unemployment.

HIGH SCHOOL ROCKET PROGRAM

Mr. THYE. Mr. President, I ask unanimous consent that I may make a statement which may take a moment or two more than the 3 minutes permitted.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Minnesota be permitted to speak for 5 minutes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas? Without objection, it is so ordered, and the Senator from Minnesota may proceed.

Mr. THYE. I thank the Senator from Texas.

Mr. President, on February 8 of this year, I wrote Secretary of Defense Neil

McElroy, urging that the Department of Defense study the possible establishment of a high school rocket program. In recent months, the newspapers and periodicals from every part of our country have featured stories of rocket experiments by teen-age students. As I stated in my letter to Secretary McElroy, I have read these stories with mixed emotions. I am delighted that our young people are showing such an intense interest in scientific experiments, but I am also concerned for the safety of these students and the people living in the area of experimentation.

I believe, Mr. President, that we should do everything we can to encourage this interest in rockets and missiles, but at the same time we must see to it that proper guidance and safety measures are provided. It is my feeling that the Department of Defense can and should provide this motivation and much-needed guidance.

Since writing to the Secretary, I have been pleased to note that each of our services—the Army, Navy, and Air Force—has experimented, even though to a limited extent, with such a program as I have suggested.

I have also been pleased to read fine newspaper editorials and articles in support of my proposal. Therefore, on February 22, 1958, I wrote President Eisenhower. In this letter to the President I again set forth my proposal that the Department of Defense establish a full-scale high school rocket program. I suggested that the program have two phases: first, science seminars to be conducted by military personnel with the use of military facilities, and, second, supervision of actual rocket launchings. As I pointed out in my letter to President Eisenhower, the purpose of this program would be, as I see it, to first stimulate interest in science; second, make accessible guidance and facilities to the high schools; third, provide proper safety measures for rocket experimentation; and, fourth, recruit into the Armed Forces' rocket-missile programs.

I have suggested that these science seminars conducted by military personnel should be held in population centers and that they would be attended by high school science students and faculty members. Military facilities and supervision should be available for demonstrations and launchings.

This program would, of course, have to be on a voluntary basis, but the students and faculty would know that if it were desired, the Department of Defense would be prepared to cooperate in this program.

Mr. President, I am pleased to report that President Eisenhower has expressed his personal interest in my proposal and has contacted Dr. Killian, his Special Assistant for Science and Technology, in regard to this matter. I can also report that the Department of Defense is now studying the possibility of an extensive high school rocket program for the entire country.

Mr. President, I ask unanimous consent that the following be printed in the

RECORD at this point in my remarks: First, my letter to Secretary Neil McElroy of February 8, 1958; second, my letter to President Eisenhower of February 22, 1958; and third, an editorial which appeared in the February 24 issue of the Mankato Free Press, Mankato, Minn.

There being no objection, the letters and editorial were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., February 8, 1958.

HON. NEIL H. McELROY,
Secretary of Defense, Department of
Defense, Washington, D. C.

DEAR SECRETARY McELROY: In recent weeks, the newspapers and periodicals from every part of our country have featured stories of rocket experiments by teen-age students. I have read these stories with mixed emotions. Of course, I am delighted that our young people are showing such an intense interest in scientific experiments, but I am also concerned for the safety of these students and the people living in the area of experimentation.

I believe we should do everything we can to encourage this interest in rockets and missiles, but we must also see to it that proper guidance and safety measures are provided. The Department of Defense can provide this motivation and much-needed guidance.

Actually, the Armed Forces have taken some steps in this direction already. The Army is about to publish a booklet on rocket construction, and I have read of the offer of the Navy to provide a launching site to a group of teen-age "rocketeers."

I believe much more can be done. Therefore, I respectfully urge that you, as Secretary of Defense, consider the establishment of a high-school rocket program.

The purpose of such a program would be to (1) stimulate interest in science, (2) make accessible guidance and facilities to the high schools, (3) provide proper safety measures for rocket experimentation, and (4) recruit into the Armed Forces' rocket-missile programs.

I believe the program should have two phases. First, science seminars, conducted by military personnel, would be held in population centers and attended by high-school science students and faculty. Secondly, military facilities and supervision would be made available to high-school groups for demonstrations and the actual launching of rockets. The entire program would, of course, be on a voluntary basis, and whether or not a given high school participated would be decided by the school system.

All of us are concerned with our Nation's scientific and economic progress. I feel we will not be making a maximum effort unless we include our secondary schools in this program.

With kindest personal regards,

Sincerely yours,

EDWARD J. THYE,
United States Senator.

FEBRUARY 22, 1958.

THE PRESIDENT,
The White House,
Washington, D. C.

MR. PRESIDENT: Of close concern to myself and many others throughout the Nation during the past weeks have been the reports regarding rocket launchings and rocket development among students of high-school age and in a number of cases, under high-school age. Much of the concern centers around reports of injuries as a result of homemade rockets.

I have been concerned with this particular problem ever since last fall, when first reports began to come to my attention about the damage involved to our young people.

On February 17, I released to the public a proposal that the Department of Defense establish a full-scale high-school rocket program. I anticipated that there would be two phases to this program: First, science seminars to be conducted by military personnel and military facilities and, second, supervision of actual rocket launchings.

The purpose of such a program would be, as I see it, to (1) stimulate interest in science, (2) make accessible guidance and facilities to the high schools, (3) provide proper safety measures for rocket experimentation, and (4) recruit into the Armed Forces' rocket-missile programs.

It is my thinking that science seminars conducted by military personnel should be held in population centers and that they would be attended by high school science students and faculty members. Military facilities and supervision would be available for demonstrations and launchings.

This whole program would be on a voluntary basis but the students and faculty would know that if it were desired, the Department of Defense would be prepared to cooperate in this program.

I do not believe that the safety problem involved in recent rocket activity by teen-agers can be overstressed. The Department of Defense has already taken certain steps to deal with this problem, but I do believe that more can be done and that every effort should be made by the Government to assist our students in every way.

I call this to your attention with the hope that through the Office of Special Assistance to the President for Science and Technology, a governmentwide program can be developed which will at the same time inspire a continued interest in science and rocketry and provide an adequate safety factor for young people who are engaged in such activity.

With kindest regards,

Respectfully,

EDWARD J. THYE,
United States Senator.

[From the Mankato Free Press of February 24, 1958]

A SOUND SUGGESTION

The proposal by Senator THYE that the Department of Defense set up a high-school rocket program is a step that deserves serious consideration.

It has become more apparent each day that the interest of young scientists in the rocket program is not going to be deterred. The time has come, therefore, to establish an agency that will encourage this interest, but at the same time provide for maximum safety.

The danger in the rocket experiments which have been going on all over the Nation is that they will cause serious injury, and sometimes death, to the participating youngsters. Many high schools have been emphatic in frowning on unsupervised rocket work, and some have said they will have no part in the experiments.

That, of course, doesn't prevent the experimentation from going on. Which means there should be a concerted attempt to help the young people and to steer their efforts in the best, and safest, direction.

The trend of military developments in recent years—and particularly in recent months—has been toward a defense based more on scientific power and less on manpower. It follows, then, that one of the future roles of the Department of Defense is to encourage the interest and training of young people who will be the future participants in the rocket and missile program.

Senator THYE suggested that military personnel conduct science seminars and supervise actual rocket launchings. This would mean setting up of teams to tour the Nation and help young people develop their interest

and ability in modern scientific programs, and at the same time stress the need for maximum safety.

In view of the fact that there appears to be less need for large numbers of young men in the conventional military services, this would be a role in which the Department of Defense could keep step with the new developments. The day appears to be approaching rapidly when there will be few, if any, manned aircraft, and the emphasis on arms-carrying men in all of the services will be less than it has been previously. This means the Defense Department rightfully may expand its efforts in the field of science, which is where the interests of the young rocketmakers lies.

The Department of Defense can modernize its role by following the Senator's suggestion.

Mr. THYE. Mr. President, I have now written to the commandant of the Ninth Naval District, to the commanding general of the Fifth Army, and to the national commander of the Civil Air Patrol. I have urged that each of the services actually initiate a high-school rocket program in a few schools chosen at random in the Midwest, as is now being done by First Army here in the East and in a few other locations across the country.

Mr. President, I ask unanimous consent that these letters be printed in the RECORD at the conclusion of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., March 19, 1958.

Maj. Gen. WALTER R. AGEE,
National Commander, Civil Air Patrol,
Bolling Air Force Base,
Washington, D. C.

DEAR MAJOR GENERAL AGEE: On February 8, 1958, I wrote Secretary of Defense Neil McElroy, urging that the Department of Defense study the possible establishment of a high-school rocket program. In recent months, the newspapers and periodicals from every part of our country have featured stories of rocket experiments by teen-age students. As I stated in my letter to Secretary McElroy, I have read these stories with mixed emotions. I am delighted that our young people are showing such an intense interest in scientific experiments, but I am also concerned for the safety of these students and the people living in the area of experimentation.

I have also written to President Eisenhower, and I am pleased to advise you that he has expressed a great deal of interest in my suggestion and has consulted with Dr. James R. Killian, his Special Assistant for Science and Technology.

As you may know, the Department of Defense is now studying the possibility of an extensive high-school rocket program for the entire country. I have been pleased to note that the First Army here in the East has initiated a high-school rocket program in a few schools on an experimental basis.

I am writing you to respectfully request that the Civil Air Patrol carry on a similar high-school rocket program in a few schools chosen at random in the Midwest. I believe that the purposes of such a program would be to stimulate interest in science; make accessible guidance and facilities to the high schools; provide proper safety measures for rocket experimentation, and recruit into the Armed Forces' rocket-missile programs.

I shall be anxious to learn of any steps you may take to effect such a program in the Midwest.

With kindest personal regards.

Sincerely yours,

EDWARD J. THYE,
United States Senator.

WASHINGTON, D. C., March 19, 1958.

Lt. Gen. WILLIAM H. ARNOLD,
Commanding General, Fifth United States Army, Department of the Army, Chicago, Ill.

DEAR LIEUTENANT GENERAL ARNOLD: On February 8, 1958, I wrote Secretary of Defense Neil McElroy, urging that the Department of Defense study the possible establishment of a high-school rocket program. In recent months, the newspapers and periodicals from every part of our country have featured stories of rocket experiments by teen-age students. As I stated in my letter to Secretary McElroy, I have read these stories with mixed emotions. I am delighted that our young people are showing such an intense interest in scientific experiments, but I am also concerned for the safety of these students and the people living in the area of experimentation.

I have also written to President Eisenhower, and I am pleased to advise you that he has expressed a great deal of interest in my suggestion and has consulted with Dr. James R. Killian, his Special Assistant for Science and Technology.

As you may know, the Department of Defense is now studying the possibility of an extensive high-school rocket program for the entire country. I have been pleased to note that the First Army here in the East has initiated a high-school rocket program in a few schools on an experimental basis.

I am writing you to respectfully request that the Department of the Army carry on a similar high-school rocket program in a few schools chosen at random in the Midwest. I believe that the purposes of such a program would be to stimulate interest in science; make accessible guidance and facilities to the high schools; provide proper safety measures for rocket experimentation, and recruit into the Armed Forces' rocket-missile programs.

I shall be anxious to learn of any steps you may take to effect such a program in the Midwest.

With kindest personal regards.

Sincerely yours,

EDWARD J. THYE,
United States Senator.

WASHINGTON, D. C., March 19, 1958.

Rear Adm. EMMET T. FORRESTEL,
Commandant, 9th Naval District,
United States Naval Training Center, Great Lakes, Ill.

DEAR ADMIRAL FORRESTEL: On February 8, 1958, I wrote Secretary of Defense Neil McElroy, urging that the Department of Defense study the possible establishment of a high-school rocket program. In recent months, the newspapers and periodicals from every part of our country have featured stories of rocket experiments by teen-age students. As I stated in my letter to Secretary McElroy, I have read these stories with mixed emotions. I am delighted that our young people are showing such an intense interest in scientific experiments, but I am also concerned for the safety of these students and the people living in the area of experimentation.

I have also written to President Eisenhower, and I am pleased to advise you that he has expressed a great deal of interest in my suggestion and has consulted with Dr. James R. Killian, his Special Assistant for Science and Technology.

As you may know, the Department of Defense is now studying the possibility of an extensive high-school rocket program for the entire country. I have been pleased to note that First Army here in the East has initiated a high-school rocket program in a few schools on an experimental basis.

I am writing you to respectfully request that the Department of the Navy carry on a similar high-school rocket program in a few schools chosen at random in the Midwest. I believe that the purposes of such a pro-

gram would be to stimulate interest in science; make accessible guidance and facilities to the high schools; provide proper safety measures for rocket experimentation, and recruit into the Armed Forces' rocket-missile programs.

I shall be anxious to learn of any steps you may take to effect such a program in the Midwest.

With kindest personal regards,

Sincerely yours,

EDWARD J. THYE,
United States Senator.

ADVERTISING SIGNS ALONG NEW FEDERAL HIGHWAYS—RESOLUTION OF MINNESOTA STATE HORTICULTURAL SOCIETY

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a resolution which I have received from the Minnesota State Horticultural Society, relating to the proposed ban on advertising signs along new Federal highways.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION PASSED BY UNANIMOUS VOTE OF THE EXECUTIVE BOARD OF THE MINNESOTA STATE HORTICULTURAL SOCIETY, FEBRUARY 17, 1958

Whereas the Minnesota State Horticultural Society, representing more than 10,000 members, is highly conscious of and concerned with the natural beauty of Minnesota as seen from our highways; and

Whereas in our opinion natural beauty is already impaired by advertising signs not adequately controlled by present laws; and

Whereas construction in the near future of 900 miles of Federal highways through scenic parts of Minnesota will open the way to greater impairment of natural beauty; and

Whereas in our opinion it is imperative that steps be taken immediately to safeguard Minnesota's priceless natural beauty along all such new constructions: Be it

Resolved, That this society call upon representatives in Congress and the State legislature to support and further the enactment of any bill now pending in Congress or which may be introduced in the State legislature which will ban advertising signs along the entire routes of the new Federal highways; be it further

Resolved, That this resolution be published in the Minnesota Horticulturist, official publication of the Minnesota State Horticultural Society, and that the secretary is hereby instructed to send copies of this resolution to the Governor of Minnesota, United States Congressmen from Minnesota, members of the State legislature, the Minnesota commissioner of highways, other State and Federal officials as may seem appropriate, and communications media in Minnesota.

MEANS TO HALT THE ECONOMIC SLUMP

Mr. PROXMIRE. Mr. President, there has been a great deal of discussion in Congress and the press recently on the relative merits of tax cutting on the one hand, and increased Government spending on the other, as means to stop the economic slump.

Each method has its advantages and its drawbacks. Mr. Bernard D. Nossiter, in an article in this morning's Washington Post, has one of the finest

and most concise analyses of these two methods of attack on the slump that I have read. This is a competent, objective discussion of what is probably the most urgent domestic problem that will face this Congress in this session.

Although Mr. Nossiter's article does not suggest this, his analysis would imply to me the importance of developing both alternatives as supplementary methods of stopping the economic recession.

Earlier in the day the distinguished senior Senator from Virginia [Mr. BYRD], who is chairman of the Senate Committee on Finance, pointed wisely and persuasively to the serious long-term difficulties of this problem.

Mr. President, I ask unanimous consent that the article by Mr. Nossiter be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TWO ATTACKS ON SLUMP—OUTPUT DROP ADDS DEBATE URGENCY

(By Bernard D. Nossiter)

The latest drop in industrial production, with indications of more ahead, adds fresh urgency to the running debate over the next counter-slump measures.

The administration, now holding to a wait-and-see position, has already opted for tax reductions before starting new public works. The Democratic-controlled Congress has so far given priority to stimulating construction.

Both devices have the same objective—pumping new dollar-backed demand into the economy to expand output and jobs. But the extent, speed, and after effects of the two tools are dissimilar.

Here is how economists size them up:

A \$2 billion program of public works will bring perhaps a \$10 billion increase in total output. New buildings take steel, lumber, cement, brick and other materials. These industries, as well as builders, will hire workers who in turn will have more to spend. Their buying of food, clothing, homes, furnishings, cars, appliances will strengthen other business and create more jobs. This multiplier effect is the chief argument for public works.

Another is the need to enlarge the Nation's social plant. Additional highways, dams, hospitals, libraries, and schools are the assets that the public works advocates see flowing from a spending program.

But works in progress for which funds have been appropriated are now being speeded up. And construction has not been hit as hard by the slump as other industries. Moreover, a dam in Utah doesn't directly affect employment in the industrial States. Even new building in Michigan won't at once put unemployed auto workers on payrolls.

The major objection to public works, however, is timing. At least 9 months and up to 2 years would elapse after legislation is passed before actual spending would start. Selecting sites, drawing up blueprints, arranging for financing and taking bids all eat up time.

Tax reduction, however, would make new dollars available in a matter of weeks. A cut in personal rates could be translated almost at once into reduced withholdings from pay checks. Individuals and corporations paying tax bills in advance quarterly installments also would rapidly pick up extra cash. Reduced excise or sales taxes could bring about lower prices as soon as a law is signed.

But would the money be spent or salted away by persons fearful of losing jobs or business unable to see new business prospects. Some would certainly be lost. How

much depends on how the cuts are made. Because persons with low incomes spent a greater percentage of added earnings than the well off, a case is being made for concentrating tax cuts in the bottom brackets.

A much discussed model package, however, would combine a sharp slash at the bottom with an even cut in the middle and upper brackets, along with lowered business and excise rates. For the family of four earning \$5,000, this formula might mean an added \$2 a week in income. Tax-cut proponents argue that this would tip off a surge of buying decisions and that only the comfortably fixed scoff at it as a dribble.

In higher brackets, although relatively greater portions will be saved, some reduction is defended on the ground that a heavier amount of any tax saving will be spent for cars and costly appliances. And much of the slump is concentrated in these sectors.

A cut in business rates is not expected to appreciably stimulate sagging plant and machinery spending. But the added cash could stave off some planned layoffs and slow up the business drive to pare inventories.

Reducing excises on autos, freight, and other items would be valuable chiefly to the extent that they were passed on in the form of lower prices and so spurred buying. The 1954 drop in appliance makers' excises, a study has found, led to a multiplied price cut for consumers because wholesalers' and retailers' markups were applied to a smaller base.

Aside from the leakage of unspent money, the biggest drawback to a tax cut is that it is more inflationary than public works. It would leave a residue of liquid resources that could propel prices up when the economy once again runs into shortages. Since the Federal Government would lose revenue more quickly than it could spend for projects, a larger, immediate deficit would show up in the budget. In addition, prices of consumer goods have not risen as fast as producers'; a burst of new retail buying may lift consumer prices. Finally, tax reductions add nothing to the incomes of the unemployed until the added demand leads to rehiring; at least some of the jobless would at once get work from building projects.

UTILITIES SHUT OFF SERVICE TO UNEMPLOYED

Mr. PROXMIRE. Mr. President, I have received a letter from Mr. Dale R. Williamson, of Racine, Wis., telling about the cruel effects of the recession when the public utilities shut off heat and light to the unemployed. People who have taken care of themselves and paid their way all their lives find themselves without heat and without light through no fault of their own.

This letter makes it clear that we must do something fast about unemployment compensation. Last Friday I enthusiastically supported the position of the distinguished junior Senator from New Jersey [Mr. CASE] when he introduced S. 3446, a bill to provide for the extension of the duration of unemployment compensation payable under State laws with the Federal Government financing the extension. I think that legislation should be enacted now. I have also joined with the very able junior Senator from Massachusetts [Mr. KENNEDY] in sponsoring S. 3244, a bill to improve unemployment compensation laws on a permanent basis. If this bill were law now we would have avoided much pain and hardship.

Mr. President, I ask unanimous consent that Mr. Williamson's letter be printed in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

RACINE, WIS., March 10, 1958.

HON. WILLIAM PROXMIRE,
The United States Senate,
Washington, D. C.

DEAR SENATOR PROXMIRE: I am greatly disturbed at the reports circulating the city of Racine, that the gas and electrical utilities are shutting off service to our unemployed who are unable to meet their service bills. There is an account in the Racine Journal Times newspaper dated March 10, 1958, of a woman with three children who had service disconnected even after being promised additional time to meet her obligation.

You certainly are aware that these are times of great duress here in Racine, and that we have many unemployed, both men and women, with families. You must realize also, as I do, that unemployment compensation cannot possibly cover food, clothing, shelter, and all the necessities for these families.

Those of us who are more fortunate, fully expect the doctors and merchants to display compassion until our economy betters, as we know it will. By the same token, we have a right to expect compassion and mercy, yes I said mercy, from the public utilities as well. It is bad enough to read and hear of the despair and hunger, but I, sir, am ashamed to hear of the cold and misery as being forced upon our neighbors for want of a few dollars. When Moscow broadcasts these conditions, we call it propaganda. It is not propaganda, it is a deplorable condition that a public sanctioned monopoly has forced upon these people. These are the unfortunate common people, those who work and have dirty hands, who perhaps do not speak with the eloquence of Senators. But these are the people who elected you and need your help now. They don't want light and gas free, just warmth and light until they get their jobs back.

My personal feelings are that before you and Senator WILEY give your thoughts to the foreign-aid program, you come home and see what you can do for these people here in Racine.

Respectfully yours,

DALE R. WILLIAMSON.

DAIRY PRICE CUT DEADLINE APPROACHES

Mr. PROXMIRE. Mr. President, only 12 days now remain before the dairy producers of this Nation will be subjected to a cruel and harsh cut in their income under the order of Secretary of Agriculture Benson. The justification offered for this cut in dairy price supports is that there is such an unwarranted surplus of milk that some of our farmers must be driven out of business.

Yesterday I received a letter that has a most significant bearing on the administration's position that farmers must be made to suffer economic hardship because of our burdensome surpluses.

This is the first sentence of the letter I received:

Because there is no lunch program in District elementary schools, there are many children in Washington who go each day without having lunch.

This letter, Mr. President, came to me from Mrs. C. R. Sutherland, an officer of

the Jayncees, the auxiliary of the Washington Junior Chamber of Commerce.

Mrs. Sutherland's letter went on to report that one of the particular concentrations of needy children is in Southwest Washington—literally no more than a stone's throw away from the office of Secretary of Agriculture Ezra Taft Benson.

The Jayncees organization has worked diligently and conscientiously to remedy, with private charity, the failure of the Federal Government to provide for a school lunch program for these needy children. They are providing school lunches for 200 of the most needy children each day. Mrs. Sutherland writes:

For many children this will be their only real meal for the day.

Mr. President, I consider it a disgrace that such want should exist anywhere in America. It is a particular shame that it should be permitted within the very shadow of the office where policies are formed on the basis that our country is burdened with surpluses of food.

There is a fundamental moral error, in my judgment, in the formulation of such policies. It is an error which has led this administration to sponsor the deliberate waste of enormous quantities of food and potential food—at the very time that it was curtailing and recommending reductions in appropriations for the distribution of food to needy Americans.

I wish the Jayncees of Washington all the good luck and success in the world in their efforts to alleviate some of the hunger that is robbing many Washington children of their opportunity for healthful growth and learning. But these fine young women cannot be expected to carry the entire moral burden for the care of these children. That burden should properly be borne by all of us—and the officers of the Federal Government bear a heavy share of the responsibility.

Mr. President, I ask unanimous consent to have the letter received from Mrs. Sutherland printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JAYNCEES,
AUXILIARY OF THE WASHINGTON
JUNIOR CHAMBER OF COMMERCE,
Washington, D. C., March 14, 1958.

The Honorable WILLIAM PROXMIRE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Because there is no lunch program in District elementary schools, there are many children in Washington who go each day without having lunch. These children are from families who are on public assistance or from large families living on marginal incomes. Many of them are suffering from nutritional deficiencies.

Several years of social service work at Barney Neighborhood House in southwest Washington have made the Jayncees aware of this unfortunate situation. We are calling this matter to your attention in the hope that you will share our concern and join with us in supporting a pilot-lunch program. It is hoped that as a result of this pilot study, funds will be appropriated to

enable the School Board to establish a lunch program in all District elementary schools.

The Board of Education has approved this initial lunch program, if funds are provided through private contributions, which will provide hot lunches for 200 needy children in southwest Washington. Briefly, the facts are these:

1. The 200 children will be served lunch at Jefferson and Randall Junior High Schools. For many children this will be their only real meal for the day.

2. The cost per child is 25 cents per day or \$25 per semester. The plan went into effect February 3, 1958, and enough money has been received to cover expenses through the end of March. It is our hope that further contributions will enable us to continue the program for the rest of the semester. The administrative costs are being paid by the Jayncees and a special pilot lunch program fund has been established at Riggs National Bank.

We hope you will be interested in this necessary program which will improve the children's schoolwork, attendance, and behavior as well as their health. Any contribution will be greatly appreciated. Please make checks payable to the Pilot Lunch Program Fund and mail to the Jayncees, 1616 K Street NW., Washington 6, D. C.

Yours very truly,

Mrs. C. R. SUTHERLAND,
Chairman of Solicitations, Pilot
Lunch Program.

Mr. MORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CORTON in the chair). The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDUSTRIAL EXPANSION IN SOUTH CAROLINA

Mr. THURMOND. Mr. President, a few weeks ago a State development board was established in South Carolina. The purpose of the board was to encourage and assist industry within the State and to bring new industry to the State. The board has done magnificent work. The head of the development board is Mr. Robert M. Cooper, of Columbia, S. C. He has provided outstanding leadership which has enabled South Carolina to make great progress in bringing industry to our State and in expanding the industry already located there.

The people of South Carolina are working together, diligently and in a spirit of complete cooperation, to make South Carolina as inviting as possible for industrial expansion.

We are blessed with a bountiful supply of power and water, a moderate climate, ample transportation facilities, and an industrious and intelligent labor force.

I recall that when I was Governor of the State several years ago, statistics were compiled which showed a remarkable labor record. At that time there was a loss of man-hours because of troubles between management and labor of less than one ten-thousandths of 1 percent. At that time, the record shows,

no other State in the Union exceeded South Carolina's record in this respect.

Our State government is determined to create a tax climate which will encourage industrial growth.

These facts are of vital interest to manufacturers everywhere. This month the South Carolina Development Board will place full-page advertisements in the Wall Street Journal and the Detroit Free Press, setting forth some of the reasons why South Carolina has special advantages to offer industrialists who are looking for a place to expand.

The text of the advertisement was included in a news article entitled "New South Carolina Corporate Tax Laws To Be Advertised in the North," published in Columbia, in the State of South Carolina, under date of March 15, 1958. I ask unanimous consent that the article be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW SOUTH CAROLINA CORPORATE TAX LAWS TO BE ADVERTISED IN NORTH

The South Carolina Development Board is scheduled to place full-page advertisements this month in two northern and national newspapers citing the new flexible and optional corporate tax laws which become effective in South Carolina in January 1960.

Both the Wall Street Journal, preeminent policy-reaching financial daily, and the regionally important Detroit Free Press will carry full-page ads in the hope of attracting the attention of business leaders who determine plant location and expansion and with the added anticipation this may bring more industry to South Carolina.

The ad will say:

"New flexible tax law offers income tax computation to meet the varying individual requirements of today's diverse industry.

"To create America's most inviting tax climate for out-of-State industry * * * and to open up the expansion potential of industry within the State * * * South Carolina's Legislature has created America's newest modern tax plan.

"Now industry can choose one of the optional methods that suits its specific operation. Thus another great new progressive step forward has been taken in the South Carolina concept of a stable government's proper relationship to and cooperating with industry.

"This step is typical of a State government which by constitutional mandate must operate in the black with no deficit spending; which has solved its school construction problem through a 3-percent retail sales tax; which makes tax assessments on a State and not a local level; and which has no bonds out for toll highways and can meet its share of the Interstate and A. B. C. Highway System cost without further hampering its gasoline-tax-supported road program.

"South Carolina's new tax law is simply South Carolina's famous hospitality in a new form—an invitation to enjoy the summit advantages of a State with plentiful power, water, transportation, labor, access to seaports, a kindly climate dedicated to the greater industrial growth of South Carolina. For further and detailed information of South Carolina's new tax formula, write the South Carolina Development Board, Columbia, S. C."

Though the advertisement did not mention it, the new optional and flexible corporate income tax law adopted at the 1958 session of the general assembly had the support of every member of both the senate

and the house, plus the signature of the Governor. It also had previously had the support of the State chamber of commerce.

ONEIDA TRIBE OF INDIANS— LETTER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated January 20, 1958, which I have received from the executive board of the Oneida Tribe of Indians.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE COUNCIL,
ONEIDA TRIBE OF INDIANS OF WISCONSIN,
January 20, 1958.

Mr. WILLIAM LANGER,
United States Senator,
United States Senate,
Washington, D. C.

Mr. LANGER: The tribal council has authorized the executive board to act on anything that would benefit the tribe; therefore as representatives we would like to encourage you to work and accomplish as much as possible on Senate bill 809 to be considered when Congress convenes in January.

Our reason for this is that the Indian Bureau in Ashland, Wis., says they think our land could be used by some industry if all rules and regulations concerning industry were in order. For more information on these rules contact Mr. E. J. Riley, Superintendent, Ashland, Wis.

JULIUS DANFORTH,
Chairman.
MRS. IRENE MOORE,
Vice Chairman.
CECIL SKINANDORE,
Secretary.
ALTHEA SCHUYLER,
Treasurer.

PROPOSED DIVISION OF JUDICIAL DISTRICTS IN NORTH DAKOTA— RESOLUTION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Williams County Bar Association on March 7, 1958, relating to the proposed division of judicial districts in North Dakota.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the volume of litigation in western North Dakota can be expected to increase materially as the petroleum industry development of the area proceeds; and

Whereas the volume of litigation respecting oil and gas interests in western North Dakota has materially increased; and

Whereas Subcommittee No. 5 of the House Judiciary Committee, Hon. EMANUEL CELLER presiding, is now considering S. 2703 and H. R. 10047 providing for the division of judicial districts in the State of North Dakota; and

Whereas the passage of these bills is of great importance to the profession and litigants in western North Dakota: Now, therefore, be it

Resolved, That the Williams County Bar Association of Williams County, Williston, N. Dak., do hereby respectfully request and recommend to the Judiciary Committee of the House of Representatives of the Congress of the United States that S. 2703 and H. R. 10047 be favorably reported to the House of Representatives, and that the same be enacted into law; be it further

Resolved, That copies of this resolution be sent to the North Dakota Congressional delegation and to the Honorable EMANUEL CELLER.

Dated March 7, 1958.

SOCIAL SECURITY AND FARM PRICE SUPPORTS

Mr. LANGER. Mr. President, I notice that several Democratic leaders stated that the Russians have stolen the proposal of the Senate majority leader, the Honorable LYNDON B. JOHNSON, that the United Nations should control outer space.

I agree that the United States should take the initiative and go directly to the United Nations with an effective proposal for the control of space.

However, the main reason for my rising at this point is that what the Russians did to LYNDON B. JOHNSON, the Democrats have done to me all last week.

Yesterday, the majority leader urged increasing old age assistance payments, improving social security, extending the time for which unemployment compensation may be paid, and reducing taxes.

These proposals received wide attention in the press. I remind the Senate that I introduced, during the 85th Congress, bills to increase old age assistance benefits, improving social security, enlarging the category of workers who are covered by unemployment compensation and advocating the extension of time for which unemployment compensation may be paid, as well as several bills geared at reducing income and excise taxes.

Last week, the Senate passed a bill fixing price supports for dairy and wheat products at 75 to 90 percent parity.

I remind the Senate that my colleague, the distinguished Senator from North Dakota [Mr. Young], and I introduced a bill to keep wheat and dairy prices at the 1957 level.

For years, I have been advocating and introducing bills to increase the personal exemption from \$600 to \$1,000 and the bill that I introduced was introduced on the first day of the 85th Congress.

However, during the past week, my good friend, the distinguished Senator from Illinois [Mr. DOUGLAS], attempted by amendment to do the very same thing. I am happy to say that I am one of the few Senators who supported the Senator in his proposed amendment which would reduce taxes at a time when the people could use the money for the purchase of the very goods which need to be purchased, since they are manufactured by industries where unemployment has reached its highest peak.

But there is a happy thought to my complaint, in that the Senate realizes that the proposed legislation which I have been espousing in the Senate for many years is worthy of their immediate attention and action.

THE PRESIDENT AND THE RECESSION

Mr. HUMPHREY. Mr. President, yesterday afternoon the President addressed a meeting of Republican women with

what was described in this morning's newspapers as another chins-up speech.

The President told his audience that he thought the Government had acted so far in "a sound and timely fashion" in dealing with the recession. But I say most respectfully that the administration's actions to date are not reflected in the most recent economic indicators, nor have they given the economic experts any cause for optimism.

In the Wall Street Journal of March 18, on the front page, is an article entitled "Federal Seers Predict Deeper Recession, Now Doubt Mid-'58 Upturn." Another headline reads, "Industrial Output Off More So Far Than in Two Prior Setbacks Since Last War."

The Wall Street Journal reports how serious things are: Industrial production off 10 percent since August. Unemployment of 5.2 million in February to rise in March. Personal income down since August at an annual rate of \$5.5 billion. Inventories \$500 million higher than a year ago. Auto production dragging—a full 35 percent below last year. February housing starts even fewer than a year ago. Plant and equipment spending expected to be 13 percent less than in 1957—a drop of \$5 billion. This is from the Wall Street Journal, Mr. President.

As to the future the Journal states:

As of mid-March business still is heading downward. There's no clear sign of the bottom yet. * * * The consensus is that the climate will be right for recovery about the fourth quarter of this year.

I repeat, Mr. President: "Recovery about the fourth quarter of the year." If a Democrat had made such a prediction even a few weeks ago, he would have been hailed by the GOP spokesmen as a prophet of gloom and doom. But the chickens are now coming home to roost. And all the fine chins-up statements from the White House are not going to hide the facts.

As I have said in the Senate in my speech on March 6 on the recession, it is time for the administration to take whatever actions are necessary in order to halt this serious decline, and to lay before the Congress the program that is needed. We cannot afford to let things slide any longer.

I am pleased that the President is meeting today with the executive committee of the governors' conference to discuss supplementary unemployment-compensation payments. Such a meeting is a step in the right direction, and certainly there is no more timely topic than unemployment insurance. However, I would commend to the attention of the President the bill introduced in this body by the Senator from Massachusetts [Mr. KENNEDY] and myself, and the bill introduced in the other body by the Representative of the Fourth Minnesota Congressional District, Mr. McCARTHY. Those bills are designed to strengthen the unemployment-compensation program.

I suggest, however, that this alone is not enough. If we are to deal realistically with the recession, we need to have real teamwork at the Federal, State, and local levels. Such teamwork needs direction and leadership. There is only

one place from which such leadership can come from, and that is from the President, himself.

Therefore, I propose that the President call a conference of the governors of all the 48 States—not merely a meeting of the executive committee, but a meeting of all of the governors of all the 48 States—for the purpose (1) of finding out the problems, at the State level, which have arisen because of the recession, and ways in which the Federal Government may be of maximum assistance.

I believe, Mr. President, that in such a conference the governors could be most helpful in giving guidance to the President and to the Congress. It would be timely and highly desirable to have the conference held in Washington, D. C., while Congress is in session, so that the Members of Congress and the executive branch can meet with the governors of the respective States.

A second purpose of the proposed conference would be to impress upon the governors the seriousness of the present situation and the importance of their utilizing all the machinery at their command, as State executives, to spur economic recovery.

Mr. President, I make this suggestion because I have read that in some States there is a tendency to hold back with public-works programs and other economic projects, in the hope that the Federal Government may take up the slack. That, Mr. President, would be most unfortunate. What is needed is to have both the Federal Government and the State governments do much more than was originally contemplated 1 year ago. The present economic recession requires rather quick and drastic treatment.

I also propose that the President follow up such a conference with a similar meeting of county officials and mayors, along the same lines as those I have already outlined.

I further propose that the President set up a coordinating committee, made up of officials representing Federal, State, and local Governments, to draw up suggestions for a coordinated program designed to utilize in the best possible ways the machinery of Government to end the recession. In fact, Mr. President, the coordinating committee could be a second cabinet to aid the President; it could constitute a cabinet which would have as its specific purpose the coordination of policies and programs to combat the recession, and it could be used to synchronize the Federal programs with the programs at the State and local levels.

To date there has been no such coordinated program. Each governmental body has been working on its own—often at cross purposes with the others. This is even true on the Federal level, where the Treasury Department is offering long-term bonds, and thereby is holding up long-term interest rates, at the very time when the President urges a loosening of credit and lower interest rates.

I ask unanimous consent, Mr. President, that the two articles on the drop

in industrial production and the deepening recession, as published on March 18 in the Wall Street Journal, be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WHAT'S AHEAD?—FEDERAL SEERS PREDICT DEEPER RECESSION, NOW DOUBT MID-1958 UPTURN—MOST FORESEE A GRADUAL RISE STARTING IN FOURTH QUARTER BUT SOME ARE LESS GLOOMY—OUTLOOK ON JOBS, SALES, STOCKS

WASHINGTON.—The Government's economic specialists are revising their recession forecasts. They now expect a deepening of the current downcurve and they are shoving the date of the expected upturn further into the future.

These officials are economists in key executive agencies and in Congress. Right or wrong, almost all are more pessimistic than administration policymakers.

The economists admittedly are far from certain in predicting the timing of an upturn. But they believe they're on sounder ground in viewing where the economy is heading right now. And what they see plainly indicates, they say, that the basis for new, more drastic anti-recession moves, including a tax cut, already has been laid down.

President Eisenhower and his aides have said they will make a decision on tax cuts and other anti-recession steps largely on the basis of what economic statistics for March show when they come out next month. The economists say there no longer is much question about what these indicators will show.

Industrial production declined further in February, the Federal Reserve Board announced yesterday. Production has declined nearly 12 percent since the start of the current recession, more than in either of the other two post-World War II setbacks.]

WHAT ECONOMISTS SEE

The consensus among the economists on what the present and future hold adds up to something like this:

As of mid-March business still is heading downward. There's no clear sign of the bottom yet. The slide could go on for several more months, but it won't turn into a depression.

When the pickup comes, it will be gradual rather than the sharp, midyear upturn once predicted by administration spokesmen. The consensus is that the climate will be right for recovery about the fourth quarter of the year.

"All the news coming out in the next few weeks probably will be pressing the boys in the direction that it's dangerous to wait much longer," contends one Congressional specialist. "If the economy should be going to turn itself around, waiting would be okay. But if it isn't, then delay means more loss of production, more unemployment, and a bigger spending and tax-cut spree later."

An administration official rubs his chin and adds: "I still think there will be an upturn this year—but I'm less certain now than I was earlier." A Cabinet officer's economic adviser says: "You can't tell at what time it will come. We keep getting reports of decline."

Generally, the economists give this private size-up of the present status of some of the most sensitive indicators—and where they think these indexes are heading:

Unemployment, on which a tax-cut decision may hinge most heavily, probably is higher now than the 5,200,000 of mid-February. Auto layoffs, for one thing, are continuing. Joblessness may ease in April, but less than seasonally.

Retail sales will show some dollar improvement this month over last, but the

gain may fall short of the normal pre-Easter upturn. Retail sales in February fell to \$13.9 billion, the Commerce Department estimated. This was 3 percent below January and 1 percent under the level a year ago.

Personal income, which in February dropped \$2 billion from January's annual rate, probably is falling further now; that could translate into a cutback in consumption of products beyond autos and hard goods. February's seasonally adjusted annual rate of \$341.8 billion was \$3.5 billion higher than in February last year, but was down some \$5.5 billion from the peak rate in August 1957.

Inventories, notably manufacturers' stocks, still are being liquidated. At the end of January, manufacturers' inventories totaled \$52.9 billion, down more than one-half billion from a month earlier but still a like amount above the level a year earlier. Most of the economists see signs the reduction will continue for as much as several months longer.

PRODUCTION DECLINES CONTINUE

Industrial production, as measured by the Federal Reserve Board, is dropping again this month from the February index figure of 130 (1947-49=100), and many economists expect it to drop even further. February's figure was a decline from 133 in January.

Auto production, though expected to perk up slightly this week, still lags well behind the 1957 pace. Production last week was 90,000 units, up from 83,900 in the prior week but well below the 141,000 units built in the like 1957 period. And the experts see no hopeful signs of any real gain in the steel operating rate, currently at about one-half the industry's capacity.

Home building is showing an improvement this month over February's pace, and the gain may prove more than seasonal. The spring upturn, in fact, may shove housing activity in first-half 1958 ahead of the corresponding 1957 level. But for the full year, home construction may hold just about even with last year and probably won't put as much zip into the economy as the administration had hoped. Private home starts totaled 60,000 in February, down from 64,200 in January and 63,100 in February a year ago.

Plant and equipment spending probably will continue to decline into 1959, and that is a key factor in the economists' assessment of the decline; they rate it primarily an investment decline rather than an inventory recession as in 1953-54. Business and plant equipment spending in 1958 will total some \$32 billion—a 13-percent drop from the record \$37 billion last year, according to a Government estimate.

Of course, not all the economists agree that a reading of current, scattered statistics can give a clear picture of just what's happening now.

"You never really know where you are," argues one top specialist. "Where are we going? I do not know for sure, and I do not think anyone else does. All we can tell is where we have been—and the figures are usually 30 days behind."

A few economists, who claim somewhat more ability to see ahead, voice more optimism than the majority. Gabriel Hauge, special assistant to the President, has implied he is looking for a third-quarter upturn. Says he: "I would certainly expect that the bringing of the drop to a halt would take most all of the second quarter of this year." In any case, he adds, before taking stronger anti-recession steps, the administration "would certainly want to see what kind of resurgent power the economy had once it cleared the typically bleak winter months that are always associated with a slowdown in activity."

Already, the White House has all but staked a tax-cut decision on the trend of unemployment—specifically mid-March joblessness,

which will be reported officially in figures coming out in mid-April. In a statement approved by the President last week, Treasury Secretary Anderson said the administration "will continue to examine all the facts and data as they become available and if, upon the basis of further developments in the economy, it appears that other actions are necessary and desirable, they will be taken." There's little doubt among economists here that the phrase "further developments in the economy" refers to the unemployment level more than anything else.

Administration officials hope mid-March unemployment figures will show a seasonal decline of 200,000 to 250,000 in joblessness. But the experts already say that's a hollow hope.

One economist, considered by his colleagues something of an expert in predicting unemployment, says the coming figure "probably won't drop. If anything, it's higher now than in the middle of February; there's just been no indication of any slackoff in the pace of layoffs. The hiring rate also remains low," he adds.

An administration expert notes "no evidence of improvement" in unemployment. "It may continue upward," he admits. "The sample week for the Census Bureau is pretty early in the month (it was last week), and March hasn't had much time to do its stuff."

He adds: "You can certainly look for more unemployment in manufacturing. The question is whether the pickup in outdoor jobs will be offsetting."

Pointing to the unemployment compensation load for the week ended March 8, which showed no improvement over the preceding week, another official says glumly: "The expected seasonal decline didn't start."

PESSIMISTIC MARCH PREDICTIONS

Still another economist, while declining to make any specific prediction of his own for this month's unemployment figure, says: "No one I've heard has had the courage to predict it will be below 5 million in March. I've heard estimates ranging from that to 5.7 million." Some Federal statisticians, working on the basis of the number of workers drawing unemployment compensation, figure total unemployment now may be as high as 5.5 million.

Most of the experts contend the administration would be mistaken in hanging any big decision on the March unemployment showing. "March figures will be inconclusive," argues an economist. "Anybody who is waiting on them to decide what to do will just have to wait longer."

Some economists outside the Government agree that there is no merit in waiting for March figures. At least some of these—notably those in labor groups—urge immediate anti-recession actions based on figures already in.

Scotts an AFL-CIO economist: "This whole business that we have to wait to see what the March figures show is just plain nuts." The labor group's memo to President Eisenhower last week urging stronger anti-recession action declared: "Waiting another month will only further confirm the present downturn. No important economic indicator holds out hope for an upturn in the next month."

On the subject of retail sales, another basic business barometer, the economists' views are also something less than encouraging.

"MARCH SALES HAVE TO BE UP"

"March sales will be up," says one, "but they'll have to be up substantially over a year ago to show any real improvement, because Easter is earlier this year."

Notes another: "There's some weakness in retail sales now. But it's generally a bright spot." He adds, however, that "you have to have some whacking good sales for this

month or you're in trouble. A boost in March is a must."

"There's just no help in the picture from auto sales," asserts an administration official. "They'd have to rise far beyond their 1957 peak to provide a surge to the economy. If you can't see this—and I can't—you've just got to look elsewhere for help. And I don't see any big surge coming elsewhere."

The state of business inventories, which may hold one key to the recession's duration, draws more conflicting views.

Some economists see a good sign in the rapid rate on liquidation of stocks, on the theory that businessmen will have to stop living off their stocks and start buying. They note that manufacturers' inventories, on a seasonally adjusted basis, were cut by \$572 million in January, compared with \$351 million in December. But others claim there's no basis yet for a belief that a shift toward rebuilding of stocks is in the making.

INVENTORY MYSTERY

"The inventory decline is by no means ended," declares a top administration adviser. "Why some people say the liquidation has gone so fast that it's due for a turnaround is a mystery to me."

Another administration specialist reasons that inventories still are being liquidated: "If they had stopped, you'd see a big boost in industrial production. The question is, however, whether they are liquidating them as rapidly as they were." Among manufacturers, he adds, reduction of stocks "might last until after the real pickup, as manufacturers will be selling out of inventory for a while."

The fact that manufacturers' stocks, when last counted at the end of January, still stood slightly above levels of a year ago "indicates an enormous backlog which can contain more liquidation," argues a specialist in this field. "With the prospects for sales improvement dim, this reduction can continue for some time." There are enough stocks still on hand, he reasons, to hold down production. One hopeful sign this official sees: "Steel started to liquidate quicker than most, so it may pick up more quickly."

However, some Congressional experts see a brighter side. "There's been such a large liquidation that even if inventories continue to drop, they'll fall at a slower rate," one Capitol staff man contends. "By the end of the year, they're bound to turn up."

He's joined by a colleague who predicts: "The liquidation will at least stop by the second half and inventories will either stay at a steady level or go up."

But a more pessimistic view comes from another economist on Capitol Hill. Says he: "If customer demand continues to drop, I doubt if the inventory problem will be licked." He reasons that a decline in demand will spur a downward price movement, causing people to delay buying hard goods in hopes of still lower prices, and thus continuing the inventory problem.

Though they have no real control over anti-recession policymaking, the majority of the economists would like to see the Government move more strongly now, generally in the direction of a tax cut.

"If you don't get a tax cut," warns one administration economist, "you are going to get a lot of ill-thought-out public-works projects that'll lock you in the 1960's." Such projects, he declares, at that time might prove inflationary.

INDUSTRIAL OUTPUT OFF MORE SO FAR THAN IN TWO PRIOR SETBACKS SINCE LAST WAR—FRB INDEX DOWN NEARLY 12 PERCENT SINCE END OF 1956—FELL 3 POINTS IN FEBRUARY TO 130

Industrial production has declined more in the current recession than in either of

the other two post-World War II setbacks—in 1948-49 and 1953-54.

The Federal Reserve Board's seasonally adjusted production index, based on 1947-49 average output as 100, slipped to 130 in February, the Board announced.

The February figure represents a decline of nearly 12 percent since production started falling at the beginning of last year. In both 1948-49 and 1953-54 the drop was fractionally more than 10 percent.

The index figure for January this year was 133. In February last year it was 146. It had not been as low as 130 since December 1954. But it is still 7 points above the low of 123 reached at the bottom of the 1954 recession.

FROM A LOFTY PINNACLE

Here's a capsule picture of just how far the industrial recession has gone thus far, with seasonally adjusted industry-by-industry indexes (1947-49 equals 100) showing which has been affected how much. The high point before the current slide was December 1956, when mines and factories turned out the greatest production in the Nation's history. Thus the declines, some of them relatively slight, are from a lofty pinnacle.

Industry	Dec. 1956	Feb. 1958	Change
			Percent
Industrial output.....	147	130	-12
All durables.....	167	137	-18
All nondurables.....	130	125	-4
Primary metals.....	145	95	-34
Metal fabricating.....	183	153	-16
Clay, glass, lumber.....	136	121	-11
Furniture, fixtures.....	120	111	-8
Textiles, apparel.....	106	96	-9
Rubber, leather.....	118	106	-10
Paper, printing.....	147	144	-2
Chemical petrol products.....	170	167	-2
Food, beverages, tobacco.....	113	112	-1
Coal.....	80	68	-15
Oil, natural gas.....	153	143	-7

The big declines are centered in durable goods. The sharp contraction in steel making is the big factor in the slump in the primary metals group. Slowed auto output shows up in the metal-fabricating drop.

PRODUCTION STILL HUGE

One striking fact stands out in any appraisal of today's receded industrial output. It is still tremendous, measured by the historical yardstick.

It is four times as great as in big-depression 1932. It is twice as great as in booming 1929 and also twice as big as in 1939, just before World War II. It is nearly a third greater than it was just a bare decade ago in 1947-49.

A glance at the February figures in the table above, keeping 100 in mind as the 1947-49 production level, shows how steeply output of individual industries has been expanded in the past decade.

Metal fabricating, for example, is still 53 percent above the 10-years-ago level. Output of chemical and petroleum products is up 67 percent.

How does the present industrial recession compare with previous periods of decline in sharpness and duration?

While it now slightly exceeds the other two post World War II setbacks in percentage of decline, the slump has been far less drastic than that of any of the three principal recessions between the two World Wars.

On duration, if the present decline ended now, it would be comparable to every other principal recession since World War I except the big one that started late in 1929.

The table below compares six slumps since World War I in terms of duration and in percentage decline in industrial production. Duration covers the period from the start of

the decline to the point at which industrial production reached its lowest level in the cycle.

Period	Duration	Decline
		Percent
1920-21.....	1 year plus.....	32
1929-32.....	3 years.....	54
1937-38.....	1 year.....	34
1948-49.....	do.....	10
1953-54.....	1 year plus.....	10
1956-now.....	do.....	11

Omitted from this table is the period immediately after the close of World War II when industrial production fell sharply as the shift was being made from war material production to peacetime manufacturers.

PRODUCTION VERSUS CONSUMPTION

Is the current slide in manufacturing activity primarily just an inventory-adjustment recession? Nobody can say for sure. But there are some indications that the decline in production has not been matched by a like drop in consumption.

Building construction, a big absorber of factory output, rolls on at a brisk pace. Retail stores of all kinds sold \$13.9 billion worth of merchandise in February, only a thin 0.7 percent below sales of \$14 billion in February last year.

The much-headlined sickness in auto sales is notable. But sales of other things have thus far shown no such steep slump. Some samples:

Building materials: The \$6.3 billion of construction put in place in January-February was a record high, 2 percent above the high 1957 level.

Consumer hard goods: Sales of all the Nation's durable goods retailers in February, hit by extremely rough weather over much of the country, were 11 percent below a year ago. But in January, before the bad weather hit, they were only 4 percent under a year ago—despite the drag of auto sales.

Consumer soft goods: Nondurable goods retailers had bigger sales than a year ago in both January and February. The rise was due in part to higher food prices. But apparel store sales in February were only 1 percent below a year ago.

Department stores: Sales of department stores this year up to March 1 were only 3 percent below a year earlier. In the week ended March 1 they were 1 percent above last year. And in the week ended March 8 they were 7 percent above a year earlier.

METAL MAKING, METAL USING

Probably the most notable example of consumption apparently running well ahead of production these days is in metals and metal products.

The F. R. B. production index for primary metals in February was down a whopping 34 percent from the level of December 1956, reflecting mainly the big slowdown in steel-making. But the index figure on metal fabricating, the production of finished products made from steel and other metals, is down only 16 percent.

These figures put one point sharply in focus. Many manufacturers are reaching to their inventory shelves for needed metal—rather than ordering from the mills. At some point, unless their own production lines are slowed a lot more, they will have to increase their buying.

CAN'T CONTINUE INDEFINITELY

Commenting on this pattern, New York's First National City Bank said in its latest monthly economic letter:

"Fabricators all along the line are working down their stocks of metal. Obviously, consumption of steel cannot exceed output indefinitely."

Historical patterns suggest that if, indeed, the present recession is based mainly on inventory adjustment, the upturn in industrial production, when it comes, could move briskly.

This happened after inventories were shaken out in 1954. Starting up in September 1954, the industrial output index jumped 21 points, or 17 percent in 16 months. Steel production, at 1,400,000 tons weekly in mid-1954, soared to 2 million tons weekly, up over 40 percent by the start of 1955.

But there is no guaranty, of course, that the 1955 upturn pattern would be repeated should the present decline end soon.

Two fundamental differences, at least, may be noted between then and now: (1) Capital expenditures for plant and equipment were moving up in 1955—and right now they are headed down. (2) Auto makers produced nearly 8 million passenger cars in 1955—and the present outlook for 1958 is 5 million, or less.

The Federal Reserve Board gave this summary of business conditions along with its industrial-production statistics:

"Recession in economic activity continued in February. Industrial production, employment, incomes, and retail sales again declined, and unemployment rose to a new postwar high. Construction activity was curtailed slightly. In February and early March, prices of farm products and foods continued to rise, while prices of industrial commodities changed little. Total bank loans and investments rose appreciably although loans to business continued to decline. Free reserves of member banks increased further. Short-term interest rates were generally lower, while long-term rates rose somewhat."

The industrial output report noted that "severe weather contributed to the reduction in industrial activity last month but also led to a rise in the Board's index of utility output of electricity and gas."

It also said auto output in early March was curtailed further and steel production remained near the low February rate.

Business indexes

[1947-49 average equals 100]

	Seasonally adjusted		Unadjusted	
	1958		1958	
	Feb. 1	Jan.	Feb. 1	Jan.
Industrial production, total.....	130	133	146	131
Manufactures.....	131	134	147	133
Durable.....	137	143	164	140
Nondurable.....	125	126	131	126
Minerals.....	119	121	132	118
Consumer durable goods, total.....	111	117	138	115
Major consumer durables.....	113	122	149	119
Autos.....	115	127	167	122
Other consumer durables.....	106	106	114	104

¹ Preliminary.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed in the Record the weekly figures on business activity as reported in Barron's Financial Weekly of March 17. I call special attention to the fact that Barron's weekly index of business activity for the week ending March 8 fell again by 2.4 points—from 85.9 to 83.5.

There being no objection, the article was ordered to be printed in the Record.

Pulse of industry and trade

BARRON'S WEEKLY INDEXES OF PRODUCTION AND TRADE

	Latest date	Latest period	Preceding period	Year ago
Index, adjusted for trend.....	Mar. 8	83.5	85.9	106.2
Index, 1935-39=100.....	Mar. 8	183.2	188.2	226.2
Industrial production.....	Mar. 8	169.7	174.0	217.1
Steel activity.....	Mar. 8	177.5	185.8	300.9
Petroleum output.....	Mar. 8	199.8	216.0	246.7
Coal production.....	Mar. 8	104.9	109.2	126.4
Carloadings group index.....	Mar. 8	122.6	125.8	151.8
Miscellaneous.....	Mar. 8	127.9	130.8	157.8
Electric power.....	Mar. 8	562.7	559.7	566.2

BARRON'S MONTHLY INDEXES OF PRODUCTION AND TRADE

		1958	1957
		Feb.	Jan.
Combined index, adjusted for trend.....	Feb. -	110.5	113.7
Combined index, 1935-39=100.....	Feb. -	230.1	236.2
Industrial production.....	Feb. -	230.0	236.0
Freight carloadings, total excluding less-than-carload lots.....	Feb. -	124.5	134.4
Building activity.....	Feb. -	313.0	314.9
Electric power production.....	Feb. -	580.0	560.4

THE STATISTICAL RECORD

	1958	1957
	Feb.	Jan.
Price of 30 industrial stocks.....	444.16	445.68
Price of 20 railroad common stocks.....	106.64	104.00
Wholesale prices (all) commodities.....	118.9	118.7
Dow-Jones spot commodities.....	166.66	165.90
Yield on high-grade corporate bonds.....	3.56	3.58
Barron's index of prod and trade.....	110.5	113.7

PRODUCTION—WHAT THEY MAKE

	Latest date	Latest period	Preceding period	Year ago
WEEKLY				
Auto output (Ward's), United States and Canada.....	Mar. 15	111,492	108,322	172,476
Bituminous coal production (thousand tons).....	Mar. 8	8,110	8,440	9,700
Electric power production (million kilowatt-hours).....	Mar. 8	11,793	11,803	11,867
Paper production (percent capacity).....	Mar. 1	89.5	88.3	96.1
Paperboard production (percent capacity).....	Mar. 1	86.0	89.0	92.0
Petroleum, daily average production (thousand barrels).....	Mar. 8	6,328	6,841	7,813
Petroleum, refinery operations (percent).....	Mar. 8	81.9	82.7	90.8
Steel production (thousand tons).....	Mar. 15	1,442	1,425	2,401
Steel production index (American Iron and Steel Institute).....	Mar. 15	89.8	88.7	149.5
MONTHLY				
Boot and shoe production (thousand pairs).....	Jan. -	53,441	44,019	51,465
Nonferrous metals: Zinc production (short tons).....	Feb. -	68,354	82,343	88,078
Steel-making furnaces in blast (percent capacity).....	Feb. -	53.6	56.5	97.1
Steel ingot production (thousand net tons).....	Feb. -	5,788	6,754	11,009

DISTRIBUTION—WHAT THEY SELL

	Latest date	Latest period	Preceding period	Year ago
WEEKLY				
Carloadings, total (thousand cars).....	Mar. 8	544	554	672
Miscellaneous (thousand cars).....	Mar. 8	280	282	347
Merchandise (thousand cars).....	Mar. 8	48	47	58
Coal (thousand cars).....	Mar. 8	111	118	131
Coke (thousand cars).....	Mar. 8	6	7	13
Forest products (thousand cars).....	Mar. 8	35	33	39
Ore (thousand cars).....	Mar. 8	15	14	23
Grain and products (thousand cars).....	Mar. 8	45	48	54
Livestock (thousand cars).....	Mar. 8	4	4	6
Department store sales (1947-49=100).....	Mar. 8	105	100	98
Department store sales (percent change from year ago).....	Mar. 8	+7	+1	-10
New York and Brooklyn (percent change from year ago).....	Mar. 8	+15	+8	-16
MONTHLY				
Business sales total (adjusted billions of dollars).....	Jan. -	53.7	54.5	57.9
Manufacturing, total (billions of dollars).....	Jan. -	26.3	26.7	30.0
Wholesale, total (billions of dollars).....	Jan. -	10.7	10.9	11.6
Retail, total (billions of dollars).....	Jan. -	16.7	16.9	16.3
Manufacturing sales, total (adjusted billions of dollars).....	Jan. -	26.3	26.7	30.0
Durable goods (billions of dollars).....	Jan. -	12.6	13.1	14.9
Nondurable goods (billions of dollars).....	Jan. -	13.6	13.6	15.0
Nonferrous metals: Zinc shipments, tons.....	Feb. -	49,072	58,211	67,731

Mr. HUMPHREY. Mr. President, the Journal of Commerce of March 18, in an article entitled "Behind the Figures," gives a breakdown of the drop in industrial production in February. It also reports that business failures for the week ending March 13 totaled 336—13 percent more than in the same week of 1939. It further reports that February business failures were the highest for any February since 1933.

I ask unanimous consent, Mr. President, to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BEHIND THE FIGURES
INDUSTRIAL OUTPUT

The industrial production index for February, based on the 1947-49 average, dropped 3 points to 130. Indexes for major classifications of industry follow:

	1958		1957 February
	February	January	
SEASONALLY ADJUSTED			
Industrial production, total.....	130	133	146
Manufactures.....	131	134	147
Durable.....	137	143	164
Nondurable.....	125	126	131
Minerals.....	119	121	132
Consumer durable goods, total.....	111	117	138
Major consumer durables.....	113	122	149
Autos.....	115	127	167
Other consumer durables.....	106	106	114

	1958		1957 February
	February	January	
UNADJUSTED			
Industrial production, total.....	131	132	148
Manufactures.....	133	133	149
Durable.....	140	143	167
Nondurable.....	126	124	131
Minerals.....	118	121	131
Consumer durable goods, total.....	115	118	143
Major consumer durables.....	119	124	157
Autos.....	122	132	178
Other consumer durables.....	104	102	112
SEASONALLY ADJUSTED			
Durable manufactures:			
Primary metals.....	95	99	143
Metal fabricating.....	153	159	180
Fabricated metal products.....	122	128	138
Machinery.....	145	152	173
Nonferrous.....	127	132	155
Electrical.....	179	192	206
Transportation equipment.....	186	192	222
Autos, trucks, and parts.....	102	109	136
Other transportation equipment.....	311	317	353
Instruments.....	159	165	174
Clay, glass, and lumber products.....	121	124	134
Stone, clay, and glass products.....	137	143	155
Furniture and miscellaneous.....	121	123	129
Furniture and fixtures.....	111	114	118
Miscellaneous manufactures.....	127	129	137
UNADJUSTED			
Durable manufactures:			
Primary metals.....	99	101	148
Metal fabricating.....	157	161	185
Fabricated metal products.....	122	127	138
Machinery.....	149	154	177
Nonferrous.....	131	134	160
Electrical.....	183	192	210
Transportation equipment.....	193	197	231
Autos, trucks, and parts.....	111	116	148
Other transportation equipment.....	314	320	356
Instruments.....	159	165	174
Clay, glass, and lumber products.....	118	117	131
Stone, clay, and glass products.....	133	137	151
Furniture and miscellaneous.....	121	120	130
Furniture and fixtures.....	112	113	119
Miscellaneous manufactures.....	127	125	137
SEASONALLY ADJUSTED			
Nondurable manufactures:			
Textiles and apparel.....	96	96	105
Rubber and leather products.....	106	107	121
Paper and printing.....	144	145	147
Printing and publishing.....	139	140	141
Chemicals and petroleum products.....	167	169	172
Petroleum and coal products.....	131	133	143
Food, beverage, and tobacco.....	112	111	113
Minerals:			
Mineral fuels.....	119	120	132
Coal.....	68	68	87
Crude oil and natural gas.....	143	144	154
Crude oil.....	128	131	144
Metal, stone, and earth minerals.....	121	128	132
UNADJUSTED			
Nondurable manufactures:			
Textiles and apparel.....	102	98	112
Rubber and leather products.....	114	111	130
Paper and printing.....	145	142	147
Printing and publishing.....	137	136	139
Chemicals and petroleum products.....	170	170	175
Petroleum and coal products.....	133	136	145
Food, beverage, and tobacco.....	103	102	103
Minerals:			
Mineral fuels.....	121	124	135
Coal.....	68	72	87
Crude oil and natural gas.....	146	148	157
Crude oil.....	131	132	147
Metal, stone, and earth minerals.....	104	107	113

BUSINESS FAILURES

Business failures dipped moderately to 336 in the week ended March 13 from the high of 358 in the preceding week, Dun & Bradstreet, Inc., reported. Despite this decline, casualties remained above the 301 in the comparable week last year and the 300 in 1956. About 13 percent more businesses failed than in the prewar year of 1939, when 298 occurred in the comparable week of that year.

Casualties ran lower during the week in all industry and trade groups except manufacturing, where the total edged up to 69 from 64. Among retailers failures declined to 174 from 178, among wholesalers to 30 from 32,

while somewhat sharper declines brought construction contractors to 38 from 50 and commercial services to 25 from 34.

Retailing mortality was considerably heavier than last year, and mild increases from 1957 prevailed in manufacturing and services. Neither construction or wholesalers had as many casualties as last year.

Business failures last month reached the highest level for any February in 25 years, Dun & Bradstreet, Inc., also reported. Failures totaled 1,288, or 8 percent above last year. Casualties dipped slightly from the previous month.

STEEL PRODUCTION

Steel production this week will total 1,415,000 tons, the American Iron & Steel Institute estimated.

This compared with actual production last week of 1,463,000 tons, which was equal to 54.2 percent of capacity. A month ago the mills produced 1,373,000 tons a week and a year ago 2,392,000 tons.

Mr. O'MAHONEY. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. Yes; if I have time to do so during the morning hour.

The PRESIDING OFFICER (Mr. Cotton in the chair). The Chair is compelled to state that the time available to the Senator from Minnesota, under the order in connection with the morning hour, has more than expired.

Mr. HUMPHREY. Mr. President, I wish to refer to another item; but I ask unanimous consent that at this time I may yield to the Senator from Wyoming.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, I note that the Senator from Minnesota has just had inserted in the RECORD a very fascinating and important article entitled "Behind the Figures," which was published in the Journal of Commerce of March 18.

In the same issue the Senator from Minnesota will find another article, an Associated Press dispatch from Washington, which quotes the Department of Commerce as reporting that the individual incomes of the taxpayers of the United States have fallen \$1,800,000,000 below the incomes for January; and that, on the basis of these figures, the annual rate of income will be \$4 billion less than was estimated by the Director of the Bureau of the Budget, and as set forth in the President's budget which was submitted to the Congress in January.

Mr. HUMPHREY. Mr. President, I would only add to the remarks of the distinguished Senator from Wyoming—who is one of our foremost experts in the entire matter of the American economy—that in an article entitled "Failures at High for Month," which was published in the New York Times of yesterday, March 18, we find that the New York Times made note of the fact that there was only one category that showed no failures at all in February, namely, undertakers. I suppose that means that the economic casualties in other areas are rather high.

Mr. O'MAHONEY. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. O'MAHONEY. I think I should warn the Senator from Minnesota that in a minute he will be called a prophet of gloom, if he does not stop talking about undertakers and the increasing business failures. We are not supposed to look at the facts. We are supposed to put blinders over our eyes, and to hope that by drifting, some results will be obtained.

Mr. HUMPHREY. Mr. President, the Senator's admonition to me will be properly noted. But I shall ask to have printed at this point in the RECORD the factual statement which was published in the New York Times. That great publication will have to share the descriptive phrase used by our Republican friends, namely, "prophet of gloom and doom," if they seek to attach it under these circumstances.

Mr. President, I ask unanimous consent to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 18, 1958]

FAILURES AT HIGH FOR MONTH

In February failures reported by Dun & Bradstreet totaled 1,238, slightly fewer than in the longer month of January but 8 percent more than in February last year. It was the highest level for any February in 25 years. However, the liabilities of the bankrupts totaled only \$65,295,000 this February, compared with \$65,406,000 a year earlier.

More than half of the failures—662—occurred in the retail trade, especially in apparel and accessories. Construction accounted for 177 failures, mining and manufacturing 208, and textiles 45. One category showed no failures at all in February—undertakers. In January two failed.

This month failures have continued heavy. For the week ended last Thursday they totaled 336, well above the 301 for the similar 1957 week, but below the first week of March, when they reached 358.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an excellent article entitled "Budget Distortions Emerge." The article was written by Sylvia Porter, who has analyzed the budget—which I attempted to do in the Senate Chamber on March 6—and has some very revealing information for the American people. I believe the first paragraph of her article is a masterpiece of understatement. It reads as follows:

Not all the public relations experts in all the world will be able to save President Eisenhower's face when he must go before the American public to revise the figures in his new 1958-59 budget.

In the concluding paragraph of the article, Miss Porter writes as follows:

And there will be no way the President will be able to hide this when the date for the first review of the new budget arrives.

In other words, no way for the President to hide the fact that his estimates, as set forth in his budget, were off anywhere from \$8 billion to \$10 billion, without any contemplation of a public-works program or of the tax adjustments which have been discussed.

Mr. President, I have requested that the article be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUDGET DISTORTIONS EMERGE

(By Sylvia Porter)

Not all the public relations experts in all the world will be able to save President Eisenhower's face when he must go before the American public to revise the figures in his new 1958-59 budget.

For the budget the President presented 6 weeks ago is now scarcely worth the paper it's written on.

The 1958-59 budget won't be a half billion in the black, as the President predicted. There's not a chance of it. The 1958-59 budget easily may be 6 to 8 billion dollars in the red. Easily.

If the recession doesn't end soon and turn into a strong upturn, red ink may splatter the budget even more.

I am not distorting the picture. The distortions were in the President's original figures. I am not exaggerating the possible size of the deficit in the 1958-59 year. The gross understatements appeared in the budget sent to Congress in January.

STATISTICS OFFERED

Let's be specific. Document this with some cold statistics:

In January the President estimated that the Government would collect \$74.4 billion in receipts in the year beginning this July. The assumptions were that personal income would run at \$352 billion in 1958, up \$9 billion over 1957, and corporate profits would run at \$42 billion, upchanged from 1957.

But personal income is running at only about \$342 billion now. If the President's estimate is to be reached, wages and salaries must go into a great upswing almost immediately and keep climbing through the rest of the year. As for corporate profits, they're far below the \$42 billion rate today and an authoritative Congressional estimate actually is that corporate profits may not top \$36 billion in 1958.

Is it likely that the President's forecast for receipts in the new year will be realized? It is not.

Rather, a conservative projection is that the tax take from us and corporations may run \$4 billion under the budget prediction.

In January the President estimated that the Government would spend \$73.9 billion in the new fiscal year. The assumptions were that Congress would accept the administration's defense budget, would cut spending on some nondefense items and wouldn't add to other programs.

DEFENSE COSTS RISING

But the administration itself is already adding \$1 billion to \$2 billion to its defense budget. Congress is pushing ahead with housing, welfare, other programs that almost certainly will add billions more to the budget. Budget cuts will be the rare exception.

Is it likely that the President's forecast for spending in the new year will be realized? It is not.

Rather, a conservative projection is that the spending total will run at least \$2 billion—\$3 billion—at least—over the budget prediction.

There you have it. A budget deficit of \$6 billion plus.

And if business doesn't turn up on schedule, a tax cut by mid-year is the outlook. If the tax cut is to have a stimulating impact, it must run into the billions.

And then you really would have it. A deficit of \$8 billion to \$10 billion, or even more.

And there will be no way the President will be able to hide this when the date for the first review of the new budget arrives.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to my friend from Illinois.

Mr. DOUGLAS. I wonder if the Senator has noticed that almost the only occupation in which there is not appreciable unemployment is that of administrators of unemployment insurance? That is one occupation that is booming.

Mr. HUMPHREY. The Senator's statement is surely accurate, and that fact is symbolic of what has been happening in the Nation, and underscores the urgent need for revision of the unemployment-compensation law, as provided in the Kennedy-Douglas-Humphrey-McCarthy proposal.

The PRESIDING OFFICER. Unless the Senator can proceed to a new subject, his time under the morning hour has expired.

ADDITIONAL APPROPRIATION OF FUNDS UNDER SECTION 701 OF NATIONAL HOUSING ACT—RESOLUTION OF TWIN CITIES METROPOLITAN PLANNING COMMISSION

Mr. HUMPHREY. Mr. President, I recently received a resolution from the Twin Cities Metropolitan Planning Commission in Minnesota asking for an additional appropriation of funds for the program being conducted under section 701 of the National Housing Act.

I ask unanimous consent that the text of this resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION URGING CONGRESS TO CONTINUE APPROPRIATIONS FOR COMMUNITY PLANNING ASSISTANCE UNDER SECTION 701, TITLE VII OF THE NATIONAL HOUSING ACT

Whereas many smaller communities, in Minnesota and the Twin Cities metropolitan areas in particular, are faced with mounting problems due to rapid urbanization; and

Whereas most of these small communities are lacking in funds to prepare urgently needed plans to meet these problems; and

Whereas the establishment of effective planning and governmental action at the local level is considered a prerequisite to the successful discharge of the Twin Cities Metropolitan Planning Commission's responsibilities to the area; and

Whereas in order to carry out its program responsibilities, the commission also has need to supplement its local tax revenues with a grant of funds under section 701 of the National Housing Act; and

Whereas previous Congresses have authorized an appropriation of up to \$10 million for the 701 program; and

Whereas the commission has been advised that the funds which have been appropriated pursuant to the authorization have been either disbursed or largely encumbered: Now, therefore, be it

Resolved—

1. That the Congress act to appropriate additional funds either from the balance of the existing \$10 million authorization to finance the so-called 701 program or from new authorizations as may be required on the basis of present national needs;

2. That copies of this resolution be sent to the following: (a) President Eisenhower;

(b) all Members of Congress from the State of Minnesota; (c) proper officials in the HHFA.

Adopted March 5, 1958.

TWIN CITIES METROPOLITAN
PLANNING COMMISSION,
Mrs. A. V. MAKI,
Acting Chairman.
C. D. LÖEKS, Director.

COMMENT ON SENATOR COOPER'S ARTICLE ENTITLED "INDIA: CRUCIAL TEST OF FOREIGN AID"

Mr. HUMPHREY. Mr. President, the distinguished senior Senator from Kentucky [Mr. COOPER], former Ambassador to India, contributed an excellent article to the New York Times magazine for last Sunday, March 16, 1958. His article was entitled "India: Crucial Test of Foreign Aid," and in it the Senator from Kentucky states the case for a commitment by the United States to assure the success of India's second 5-year plan.

Members of the Senate who are familiar with my own views on this challenge of economic assistance to India will recognize that my own estimate of the situation differs in certain respects from those of the Senator from Kentucky. I believe the challenge is somewhat larger than the one he states, and I feel that the amount of American assistance necessary, if the second 5-year plan is to succeed, is greater even than the Senator's article indicates. Nevertheless, I agree with the Senator from Kentucky completely in his estimate of the supreme importance of economic assistance to India. I am sure we both agree that the United States must be prepared to extend further assistance in a timely and a realistic manner.

Mr. President—

The PRESIDING OFFICER. The Senator from Minnesota.

ST. PATRICK'S DAY

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement which I had prepared for the great day known as St. Patrick's Day, a statement which I was unable to deliver because of my absence from the Senate during the morning hour on the 17th of March.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ST. PATRICK'S DAY

(Statement by Senator HUMPHREY)

A Norseman with a strain of Irish blood in him would like to join in the chorus of tributes to Patrick, saint and schoolmaster, father of the Irish people.

Through 15 centuries the Irish have revered his memory, and the sons of St. Patrick in every land of the earth carry on his mission, which was a kind of spiritual point 4 program.

March 17 is a national holiday in Ireland, and I would like nothing better than to see this day proclaimed a holiday for all Americans of Irish descent.

We are well aware of the debt of the Western World to the colleges and missions of the Irish monks, who rekindled the lights of our culture in the Europe of the Dark Ages. We appreciate too the Irish talent for communication in literature and diplomacy. But we are not so aware of Irish activity in

the field of science. I would like to mention, for example, that—

Irish astronomers and geographers were among the earliest to chart the heavens, to believe the earth was round, and to map the east coast of the United States. Later Irish missionaries carried the Gospel to Greenland, over 200 years before the arrival of Leif Erickson.

Sir William Rowan Hamilton, linguist, mathematician and astronomer, youngest professor at Trinity College, Dublin, published his Lectures on Quaternions in 1835.

Third Earl of Rosse, Member of Parliament, gave up politics for science, establishing a great telescope at Birr, in County Offaly, after 17 years' work and at an outlay of \$100,000, in 1836.

George Johnstone Stoney, professor of natural philosophy, Galway University, introduced the word "electron" into scientific writings.

John Tyndall, president of the British Academy, delivered an address at Belfast, in 1874, on Atoms and Atomism, which occasioned tremendous controversy and was widely translated.

Prof. E. T. S. Walton, Dublin University, was awarded, along with Sir John Cockcroft, in 1951, the Nobel Prize for being the first to split the atom.

Of seven astronomical observatories founded in Ireland since 1782, two still distinguish themselves. Dunsink Observatory, acquired by the Government from Trinity College, pioneered in basic studies on stellar distances and brightness; settled a controversy between astronomers and physiologists recently, by confirming the atmospheric origin of the twinkling of the stars; and developed upper atmosphere data of extreme usefulness to meteorologists and rocket engineers.

Armagh Observatory conducted studies on meteors and stellar constitution; acclaimed the invention of the cup anemometer for work on wind velocity by its director, J. T. R. Robinson; and uniquely sponsors amateur astronomers through centers of the Irish Astronomical Society in six cities.

In 1952, the combined observatories of Dunsink, Armagh, and our own Harvard University erected a telescope at Blomfontein, South Africa, for more effective solar research, which now is the magnet of a growing movement toward international cooperation in astronomy.

This is just a sample of the potential of the Irish and an augury of a future that might well be greater than its past. The ancient Irish symbols of a good man—books, the sword, and the harp, that is to say, scholarship, strength and the good life, once again are urgently in need of devoted protagonists. The same of course is true for Ireland itself. Only internal peace will release and concentrate the energies of the Irish people and permit them to turn their creative attention to the problems of an imperiled Free World.

APPOINTMENT OF CARDINAL STRITCH TO A HIGH VATICAN POST

Mr. HUMPHREY. Mr. President, at this time I should like to call to the attention of the Senate the recent appointment of Samuel Cardinal Stritch to a high Vatican post. In his new position of pro prefect of the Vatican's sacred congregation for the propagation of the faith, Cardinal Stritch will be the director of the Roman Catholic missions throughout the world. He becomes the first American prelate to head 1 of the 12 congregations of the Church's central administrative body. Catholics and

friends of Catholics in the United States and throughout the world rejoiced in the news of his appointment, for the humility and the patience of this brilliant man have earned the respect and love of all who know him.

For the past 18 years, Cardinal Stritch has been archbishop of Chicago, but I suspect the two titles, "Bishop of the Poor" and "Bishop of Charity," have more meaning to the people in his see.

Mr. President, soon after Cardinal Stritch assumed his post in Chicago, he stated his creed in this way:

As long as 2 pennies are ours, 1 of them belongs to the poor.

He has lived that creed, and because of his untiring efforts countless hospitals, schools, orphanages, and centers for the mentally ill have been constructed and improved. He once gave up a long-cherished plan to restore the Milwaukee Cathedral because he believed the city's poor were more in need of the money.

Mr. President, Cardinal Stritch, at the age of 70, can look back on a life marked with success in everything he has endeavored to accomplish. His brilliance was evident at an early age, for he finished grammar school when he was 10. At the age of 14 he had graduated from high school with honors, and by the time he was 16 the cardinal had received the bachelor of arts degree. He studied for the priesthood in Rome, and at the age of 22 he was ready for ordination, receiving a special dispensation because the church does not ordinarily confer this privilege until the age of 24. He was appointed bishop of Toledo when he was 34, thus becoming the youngest member of the United States hierarchy. From Toledo, the cardinal went to Milwaukee, and in 1945 he was named a prince of the church.

Mr. President, the cardinal has always been a champion of the underprivileged and oppressed. Long before the United States had made up its mind on how to deal with Hitler, he had termed nazism as tyrannous and barbaric. He is a liberal, and has fought to see that all people were afforded the chance to intergrate themselves religiously, socially, and economically into the life of their community. He once told a medical convention that when a hospital staff refuses to admit qualified doctors because of their race, they are violating the truth that came to us when Christ died upon the cross.

Mr. President, Cardinal Stritch will direct the activities of 25,000 missionary priests, 10,000 missionary lay brothers, and more than 60,000 missionary nuns on five continents. More than 30 million Roman Catholics—mostly Africans and Asians—live in the vast area of his jurisdiction. We all know of the turbulent conditions that exist in those areas, and our hopes and prayers are with him as he takes on these grave new responsibilities.

Mr. President, I think the nature of this man can best be viewed by reading the text of his statement issued after he had been notified of his appointment by Pope Pius XII. I ask unanimous consent that the statement be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TEXT OF CARDINAL STRITCH'S STATEMENT

When this news came to me, I was surprised and amazed. It never entered my mind that the Holy Father would think of me for such an important office in the Roman Curia, which assists His Holiness in the government of the Universal Church.

It is clear that His Holiness, in honoring me, principally had in mind honoring the church in the United States. Never before in history has an American prelate been called to such an important office. The sacred congregation of the propagation of the faith, under the immediate authority of the Holy Father, is entrusted with the care of the foreign missions of the church.

The Catholics of the United States have shown a growing interest in these missions. Quite evidently, the Holy Father, in calling me to this office, wished to give another expression of his fatherly appreciation for this interest.

At the call of His Holiness, I shall go to Rome and with God's help try to prove myself worthy of his confidence and of the great Catholic body of whom I shall be a symbol.

To my clergy and people on this occasion, I express my deep affection. They have been my support and edification through these 18 years. I know that I shall have their prayers in the discharge of the heavy responsibilities of the office to which I am called.

I may say to them that I have not received the official document calling me to this important office. When I receive it, I shall inform them in detail on what is involved in this call of the Holy Father.

For the present, all that I know is that the Holy Father has called me to be the prefect of the sacred congregation of the propagation of the faith.

The prefect is the esteemed Cardinal Fumasoni-Biondi, whom we remember as being apostolic delegate in the United States. It will be a great comfort to me to have at my side this great cardinal, who, with the exception of his years as apostolic delegate in the United States, has been an outstanding official from minor to prefect of the sacred congregation of the propagation of the faith.

His knowledge of the foreign missions, his great abilities, and his understanding promise me some usefulness in helping the Holy Father in his great apostolate for the missions of the holy church in these difficult times.

May I add that, after 8 years here in Chicago, despite my being from other parts, I am a Chicagoan and I love Chicago, its people and its warmth. It is my prayer that through the years which God will give me I shall be able to contribute my little part to making Chicago the world's greatest city, in which spiritual values will take precedence over mere material and humanistic considerations.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. I ask unanimous consent that I may yield to the distinguished Senator from Illinois, who I am sure wants to refer to the statement I have made with regard to one of the truly great citizens of his State, and one of the truly great citizens of our time.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. I have been trying to obtain the floor for some time. I have not felt like raising the question of the limitation of time in the morning hour. I know the Senator from Illinois would like to comment on the statement just made by the Senator from Minnesota, but I ask unanimous consent that I may be recognized after he has made his comment.

The PRESIDING OFFICER. The Chair will state that the Senator from Minnesota has 3 minutes on each subject. The time he was allowed on the last subject he discussed has expired. He has asked unanimous consent to yield to the Senator from Illinois. The Chair may state it was his purpose, in accordance with the general practice, to recognize the Senator from Colorado next.

Mr. DOUGLAS. Mr. President, I shall be glad to yield to the Senator from Colorado, and later I shall make a statement, which I hope can be printed in the RECORD immediately following the statement of the Senator from Minnesota.

Mr. DOUGLAS subsequently said: Mr. President, I am happy to endorse what the Senator from Minnesota [Mr. HUMPHREY] has said about Samuel Cardinal Stritch. Cardinal Stritch has been a citizen of Illinois for 20 years. During that time he has won the respect and affection of all. He has been active in every good cause, and has been charitable and high minded in thought and deed.

We shall miss him very greatly in Illinois. We are grateful for his devoted service, and rejoice in the added honors which have come to him.

His new duties will be heavy, but we know that he will perform with the same efficiency and insight which have always characterized his actions.

STATEHOOD FOR ALASKA AND HAWAII

Mr. ALLOTT. Mr. President, it is my deep and sincere conviction that the United States of America has a very definite obligation in relation to our own affairs in the troubled world of today.

The peoples of all free countries on the earth are looking to our country for leadership—the leadership to maintain a way of life consistent with the ideals and concepts of all those who believe in the rights of free people. To a large degree I feel it is the responsibility of the United States to provide the guidance which will lead to the preservation of the right to self-government for the citizens of free countries throughout the world.

Our country—and this Congress—face similar obligations in our internal affairs, obligations closer to home. One of these obligations was incurred almost a century ago. In fact, in a few days, March 30, 1958, it will be 91 years since Alaska became a Territory of the United States. Another implied and very definite promise was made when Hawaii assumed territorial status in 1898, at which time it was formally annexed as an integral part of the United States.

I have long thought that statehood for Alaska is unequivocally desirable. With respect to Hawaii, I have been troubled,

in my own mind, by some of the problems related to un-American activities of certain groups in the islands. At the time the Alaskan and Hawaiian bill was reported from the Interior and Insular Affairs Committee by unanimous vote, I stated my reservations in this regard. After thorough and deliberate study of this question, it is my firm conclusion that all the many reasons for statehood for Hawaii are compelling and outweigh this consideration. The problem of un-American activities in Hawaii can and, I believe, should be dealt with separately from the question of statehood.

Mr. President, the citizens of Alaska and of Hawaii are American citizens, born under the same flag as your children and mine. Should not the United States and the Congress today recognize the real and definite obligations we owe to American citizens of Hawaii and Alaska? Should not these virile Americans—who have given their blood in our country's wars—have the right to cast their votes for those who govern them? Should they not have some voice in how the taxes they pay will be spent?

I for one believe that all these questions must be answered in the affirmative. The treaty of cession by which we acquired Alaska from Russia contains a solemn pledge:

The inhabitants of the ceded territory * * * shall be admitted to all the rights, advantages, and immunities of the United States.

While there is no similar direct pledge in the annexation documents relating to Hawaii, it can be adequately demonstrated by the debates in both the Senate and the House at the time Hawaii was made an incorporated Territory that the Congress did recognize there was an implied pledge of statehood. Let me quote from a statement made by the Secretary of the Interior, Fred A. Seaton, to the Senate Interior and Insular Affairs Committee on April 2, 1957:

On April 6, 1900, when the House debated S. 222, a bill to provide a civil government for Hawaii, Congressman Ebenezer J. Hill offered the following amendment:

"Sec. 105. Nothing in this act shall be construed, taken, or held to imply a pledge or promise that the Territory will at any future time be admitted as a State or attached to any State."

Mr. Hill said, defending this amendment: "No harm whatever can come from the passage of the amendment I have just offered. It commits Congress to nothing. It simply says that this bill and the admission of this Territory shall not be taken or construed as a pledge for the admission of the Territory to statehood either in the immediate or the distant future."

"Mr. CANNON. Whether the amendment be adopted or not, is there anything in this bill which commits the Congress of the United States or the people of the country to admit this Territory to statehood?"

"Mr. HILL. I think there is, so far as the sentimental side of the question is concerned. The American people look upon the authorization and full organization of a Territory as the first step toward statehood. It has always been so construed; it always will be so construed. By the adoption of this amendment we shall simply put ourselves on record as declaring that this legislation is not adopted with that end in view."

A similar amendment presented to the Senate during debate on the same bill was not considered because of a point of order. The House amendment was defeated. While it was ably pointed out by Congressman John S. Williams, of Mississippi, that the amendment was either unnecessary because it could easily be repealed, or unconstitutional if every Territory was "necessarily in process of formation for statehood," the very fact that the gentleman from Connecticut proposed the amendment demonstrates that, prior to the annexation of Hawaii, no Territory has been acquired by the United States, the manifest destiny of which was not to become a State.

The PRESIDING OFFICER. The Chair is compelled to remind the Senator that his time has expired.

Mr. MORTON. Mr. President, I ask unanimous consent that the Senator from Colorado may proceed with his statement.

Mr. ALLOTT. Mr. President, I ask unanimous consent that I may be permitted time to complete my statement, which will probably not amount to more than 6 or 7 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado?

Mr. HUMPHREY. Mr. President, after the consideration the Senator from Colorado has shown, I think he more than deserves the time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. I thank the Senator.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 6 or 7 minutes.

Mr. ALLOTT. Mr. President, at no other time in history could it be more appropriate for us to fulfill our pledges to Alaska and Hawaii. By so doing we will at one and the same time grant the full privileges of citizenship to Alaskans and Hawaiians, while demonstrating to the world that America practices what it preaches.

Let me again quote from the statement of the Secretary of the Interior—and this statement applies equally well to Alaska:

We are dedicated as a Nation to the principles of self-determination and self-government. Admission of Hawaii to the Union will demonstrate to the people of the Pacific and the world that—regardless of race, color, or creed—citizens of the United States, when they inhabit an incorporated Territory which has political and economic maturity, will be accorded all the privileges of citizenship.

Mr. President, this body has not acted upon a statehood measures since 1954, when it passed a joint Hawaii-Alaska bill. I want to make it clear that it is my understanding the administration opposes the joining of the Alaska bill with the Hawaii bill. For myself, I shall oppose any motion to join the two bills. The merits of each of these Territories' petitions for statehood should be determined separately.

I am for statehood for both Territories, and I am in accord with our distinguished minority leader in the hope that we will have the opportunity to vote independently on each of the bills so that the qualifications may be deter-

mined for each Territory on its own merits. Our distinguished minority leader stated that once the bill for statehood for the Territory of Alaska is called up for consideration and the Senate has had a chance to vote upon the merits of that bill then the next bill to be called up for consideration on the calendar should be the bill for the admission of the Territory of Hawaii. He pointed out that this was the procedure he favored as majority leader in 1954, and I heartily concur with him that it was a mistake to tie the two bills together.

Mr. President, Alaska and Hawaii are ready for and have requested admission into the Union. I personally feel it is timely for us to recognize our obligations to Americans in Alaska and Hawaii. In fact, I feel it is imperative to recognize these obligations so as to demonstrate our continued adherence to the ideals which are the cornerstones of this great democracy, namely, the right of self-government and equal rights for members of all races and all faiths.

In closing let me read from a letter which I received recently from our former colleague from Ohio, George Bender:

During this session of Congress you will undoubtedly consider once more the question of statehood for Alaska. I believe with all sincerity that the grant of statehood to Alaska would furnish definitive evidence to the people of our country and to the world that while we are acutely aware of the military problems we face, we are taking every step possible to insure the preservation of the traditional rights and privileges of our citizens wherever located.

We are all aware that the consideration of Alaskan statehood in the past has raised political questions. Some people, too, are concerned over the fact that the soil of Alaska is not physically contiguous to other parts of the United States. But, in these days when artificial satellites soar overhead with complete disregard for established national boundaries or continental limits, these issues appear to have become obsolete.

The statehood legislation now pending before Congress contains adequate provisions to meet the requirements of the defense efforts in Alaska. It is my considered judgment that Alaska holds the key to the military security of the United States. Its strategic location in this era of missiles, supersonic flight, and pushbutton warfare has enhanced Alaska's already established status as a radar warning center, as an air defensive core, and as a protective arsenal for the entire Western Hemisphere.

Alaskans have readily accepted the provisions in the statehood bill which will permit the Military Establishment to act under the President in times of emergency while at the same time adequately protecting their personal and property rights.

You may be sure that in the work which lies before you during the difficult days ahead you have the support and the prayers of the American people and people everywhere who seek for world peace under the blessings of freedom. The admission of Alaska into the Union could well be the symbol we need to assure the peoples of the world of our continued adherence to the principles of our forefathers.

Let us accept the obligations we have to the people of the Free World. Without regard to political affiliations, let us join together and act upon the petitions of these two great Territories to be admitted into the Union.

BLOCKADING OF SALMON AND IMNAHA RIVERS BY PACIFIC NORTHWEST POWER CO.

Mr. NEUBERGER. Mr. President, on March 11 the Pacific Northwest Power Co. made clear that it would imperil the most famous and historic fish runs in the United States, in order to exploit for private gain the priceless hydroelectric resources of the Middle Snake River.

On that date Pacific Northwest Power Co.—a holding company consisting of Pacific Power & Light Co., Portland General Electric Co., Washington Water Power Co., and Montana Power Co.—told the Federal Power Commission of its intention to study high Mountain Sheep with subsequent development of lower canyon.

The high Mountain Sheep project, the power company March 11 letter disclosed, would be located at a site downstream from the mouth of the Imnaha River, thus endangering the steelhead migration into that mountain stream of Oregon's Wallowa Range.

Lower Canyon Dam would blockade the entrance into the Salmon River of Idaho, where spawn some 60 percent or more of the valuable Columbia Basin run of spring Chinook salmon, which comes up from tidewater far below. Lower Canyon would be quite as fatal to the Chinook pilgrimages of the Salmon River as would the 700-foot Nez Perce project on the main stem of the Snake, for both would be insurmountable barriers to the Salmon's finny travelers.

The intentions of the private-utility combine as concerns the survival of the Columbia River fishery have been made quite plain. The letter to the Federal Power Commission states that the company "intends to prepare and file an amended application for a license for such project as appears as a result of such study to be economical and practical."

Mr. President, in the past some of the private utilities have shed crocodile tears for the fate of migratory fish runs. The letter sent by Pacific Northwest Power Co. to the Federal Power Commission on March 11, 1958, reveals that fish runs are brushed aside quite as ruthlessly as Corps of Engineers 308 reports, when these private power companies see an opportunity for exploitation.

Furthermore, the private utilities were the most blatant and vehement of any group in opposing my bill, S. 3185, at recent Senate Interstate and Foreign Commerce Committee hearings, when I sought legislation to give the United States Fish and Wildlife Service some jurisdiction in FPC licensing procedures on rivers with migratory salmon and trout resources.

S. 3185, the bill on which hearings were held, proposed to give the Secretary of the Interior authority over approval of dam licenses where migratory fish and dams are involved. Similar authority is now vested in the Secretary of the Army for approval of plans affecting navigation of our rivers. Yet, at the hearings on my bill, Mr. Alan G. Paine, represent-

ing the companies of the Pacific Northwest Power Co., declared:

The companies I represent believe such a proviso is unnecessary, wrong in principle and will hinder and delay the best development of our waterways.

I suppose it is only natural that the utility-combine would oppose legislation for protection of migratory fish which might interfere with plans to place concrete barriers across the Columbia's spawning grounds. Its interest is in development of profitable electric power. The commercial and sports fishermen of the Pacific Northwest would be well advised to take notice of the objections the company makes to protection of fisheries, and of its proposals for cutting off the great fish runs of the Imnaha and Salmon Rivers. These runs should be protected from private dams, public dams, and Federal dams.

I ask unanimous consent to have printed in the RECORD with my remarks the letter of March 11, 1958, transmitted by Pacific Northwest Power Co. to the Federal Power Commission.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PACIFIC NORTHWEST POWER CO.,
Spokane, Wash., March 11, 1958.

MR. JOSEPH H. GUTRIE,
Secretary, Federal Power Commission,
Washington, D. C.

DEAR SIR: Applicant has received a copy of letter from the attorney for the intervenors, dated March 4, 1958, and addressed to Commissioner William R. Connole. Attorney for intervenors misapprehends the relief requested. This letter is in reply thereto.

In the assignment of error No. 7, applicant refers to the Nez Perce and High Mountain Sheep projects, the latter of which is located below the mouth of the Imnaha and above the mouth of the Salmon. Preliminary investigation indicates that High Mountain Sheep with subsequent development of lower Canyon would have approximately 500,000 acre-feet more storage and about 150,000 kilowatts more installed capacity than Nez Perce. Under paragraph 3 of its prayer, applicant proposes to study the High Mountain Sheep project on a comparative basis with Nez Perce. Such a study is necessary before a final determination can be made as to the project which will constitute comprehensive development under the provisions of section 10 (a) of the Federal Power Act.

Approximately 10 months will be required to complete such study, depending upon the extent of drilling and engineering that may be necessary.

Specifically, in undertaking such comparative analysis applicant will:

- (a) Make geological investigations and studies;
- (b) Do such engineering work, including preparation of maps, plans, and specifications as may be necessary, to determine problems of construction, quantities of earth and rock to be moved, materials and supplies required, type of structure to be built, and such other determinations as may be relevant to make comparable estimates of cost;
- (c) Determine the amount of storage usable for flood control and power production;
- (d) Carry out power routing studies and power capabilities;
- (e) Determine flood control routing and effectiveness of flood control;
- (f) Investigate the extent and cost of facilities required for the consideration of

fishery resources and recreation opportunities.

Applicant will report the results of such study to the Commission and to all parties.

Applicant intends to prepare and file an amended application for a license for such project as appears as a result of such study to be economical and practical and meets the requirements of section 10 (a) of the Federal Power Act.

Applicant does not expect a license to be granted without a further hearing.

We are making the same distribution of this letter to the Commission as was made by counsel for intervenors, and are mailing copies to the parties as noted below.

Yours very truly,

PACIFIC NORTHWEST POWER CO.,
JOHN J. BURKE, President.

WE COULD LEND MORE, GIVE LESS

MR. CARROLL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial published in the Denver Post of March 12, 1958. The title of the editorial is "We Could Lend More, Give Less."

This editorial is highly commendatory of the creative thinking of the junior Senator from Oklahoma [Mr. MONRONEY] on the subject of the foreign-aid program. It is well worth reading. I commend the junior Senator from Oklahoma for his penetrating thinking in a field in which much thought is needed.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WE COULD LEND MORE, GIVE LESS

Senator MIKE MONRONEY, Democrat of Oklahoma, has proposed to Congress a compelling idea in connection with foreign aid. He suggests that as part of the overall program, this country help establish an international development association.

Monroney's IDA would make loans to underdeveloped countries that could not get them from the World Bank because of its more conservative lending policies.

According to the Oklahoma Senator—who is chairman of the International Finance Subcommittee of the Senate Banking Committee—many countries are unable to get loans for sound projects because of the necessity to repay the World Bank within 20 years, at 4 percent interest and usually in scarce dollars or other hard currencies.

IDA would lend all or part of such loans for longer periods at less interest. It would lend the money and accept repayment in currencies of many nations.

MONRONEY points out that large sums of these currencies are already in the possession of the United States, which has been accepting them in payment for our agricultural surpluses.

Further, IDA would invite participation of other nations of the Free World, and would encourage countries buying goods and services with the loans to do so from those Free World nations.

Through IDA, the ties of the underdeveloped nations to the Free World would be strengthened. The nation receiving the aid would maintain its self-respect, and the nations giving their aid would avoid the lingering resentments that arise too often from present aid programs.

MONRONEY figures IDA would need an initial basic capital investment of about \$1 billion, of which the United States probably would need to put up 30 percent, or \$300 million.

This, incidentally, is the amount Congress appropriated last year for a United States

development loan program, very little of which has been used.

The flaw in the current program is that the United States does all the lending, which means (a) it costs us too much and (b) it repeats the mistake of much of our aid, which has opened itself to Communist attack as an all-American program of economic infiltration and imperialism.

It seems to us that the Monroney plan has much to commend it, and that it should receive a warm reception from a Congress that is looking with more suspicion than ever at handouts.

A NATIONAL EMERGENCY

MR. KUCHEL. Mr. President, the distinguished junior Senator from New Jersey [Mr. CASE] states that "the revelations about the emphasis of Russia on its educational program should serve a useful purpose."

I agree. I believe those revelations—the fact that that Soviet Russia is embarked on a tremendous educational program with emphasis on science, nuclear physics, engineering, and the professions—have brought the American people closer to the realization that we need to upgrade our own educational system.

The junior Senator from New Jersey has written an interesting and excellent article entitled "A National Emergency—Federal Aid for School Construction Has Become More Urgent Than Ever," which was published in the March issue of AFL-CIO American Federationist. I ask unanimous consent that the article be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NATIONAL EMERGENCY: FEDERAL AID FOR SCHOOL CONSTRUCTION HAS BECOME MORE URGENT THAN EVER

(By CLIFFORD P. CASE, United States Senator from New Jersey)

"In this world of ours we are fundamentally in a race between education and catastrophe. Either we will have sufficient knowledge with which to solve our national and international problems or the catastrophe of an unrelenting tyranny is bound to overcome us in our ignorance. That's why our free public school system is the great hope of our future preparedness and really the hope of the Free World."

These are the words of Gen. Omar N. Bradley, one of the Nation's greatest military leaders—a man who fully appreciates the challenges of our present situation. It is encouraging to have a military man emphasize the importance of education.

The leaders of both political parties have been quick to outline emergency programs for armaments, for improving scientific training and other worthwhile causes. But there is less emphasis on improving our school system.

If there is anything to be learned from the recent Russian achievements, it is that one of the Nation's greatest resources is its brainpower—the power to invent, to develop, to produce and to operate complicated weapons. And at the base of this is education.

We cannot expect to nurture scientific talent or, for that matter, any kind of talent in classes held in overcrowded and obsolete classrooms, or in basement boilerrooms, in school corridors, or, even worse, in classes limited to half sessions.

This is a national emergency. Education is now as integral a part of our national

security and national defense as the man with the bayonet or the pilot in the bomber. We have already lost several years by failing to enact an emergency program of Federal assistance for school construction. In my own view, this program has become more urgent than ever. Rather than cut this program down or shelve it, I propose to add it to the broad program advocated by the administration for stimulation of our scientific training.

It seems to me that we need both—not one or the other.

As things stand now, the education of our children depends in good part on accident of birth—whether they are born in a State which has resources and spends them on schools or whether they are unfortunate enough to be born in a State where schools are low on the budget ladder. Their education depends, too, on whether they have the devoted services of good teachers and principals or whether they are subjected instead to the second-best ones.

We all know of the devoted services of many underpaid teachers and principals who are forced to subsidize their important work by taking extra jobs as painters, cab drivers, grocery store clerks and similar ways of earning a few dollars. It is understandable that many of these have chosen to leave the field of education and now are replaced by less qualified people.

The very least, it seems to me, that we can do for these sacrificing educators is to give them the facilities and tools they need to carry on their important work.

Last year the Federal Office of Education reported that there were 2,295,000 pupils in our elementary schools in excess of normal capacity. The effects of this shortage of classrooms go far beyond the 2,295,000, for it is not just the 10 to 15 too many pupils crowded into some classrooms that suffer—it is the whole class. Many elementary school classes are now packed with 40 to 50 children instead of the ideal of 18 to 25.

Principals and teachers have been forced to strain existing facilities in order to give some education to all students. The result has been an inevitable decline in quality.

This is not a situation which developed overnight. During World War II and the Korean war there was a virtual moratorium on school building, and this came at a time when the birth rate was constantly setting new records. The result is that we found last year that we were 159,000 classrooms short.

Numerous school districts have strapped themselves, shouldering heavy burdens of taxation, to try to catch up. Some of these have now reached their debt limit and others are experiencing difficulty in marketing bond issues. Many conscientious school boards face the hard problem of how to improve teachers' salaries when all available funds have to go to provide the brick and mortar for schools.

Certainly one of the real values of the Federal school assistance program is that it would help lift the building burden in local communities and make it possible to raise teachers' salaries—and doubling them on the average would not be too much.

I recognize that a program of assistance for school construction will cost a great deal of money. The administration's program last year would have run to a half-billion dollars per year. This is a sizable sum, and its expenditure should receive thorough consideration.

Members of Congress have accepted quickly the necessity for the expenditure of \$2 billion more this year for the development of missiles, but there has been less speed in accepting the importance of the development of our youngsters.

Why must this be so?

We all know young men and women who should have made a greater mark in life, who had the potential but lacked the en-

couragement and the stimulation of good schooling to achieve it. We have always taken for granted that our children will have a good education. This is as much a part of the American idea as that they will have steady work, decent homes, and a peaceful old age.

Unfortunately, we cannot take good schools for granted, and it seems to me that people in the labor movement have a particular stake in the school system. Since you represent such a large part of the Nation's population, when schools are below standard it is your children who will suffer.

Most of us do not have the means to provide private schooling or extra training. The great interest of union members and others in parent-teacher associations and in adequate school budgets has resulted in as much concern with the spending of the educational dollar as with the spending of the dollars in their own household budget. This is wholesome indeed.

In addition, there have been some remarkable contributions by such organizations as the International Ladies' Garment Workers local in South River, N. J. There the headquarters has been turned over to more than 200 high-school students who found there was no room for them in the nearby high school.

While this makeshift arrangement is better than no education at all, it is hardly befitting the high standards which we are trying to maintain.

It seems to me that a recent editorial in the Washington Post and Times Herald summed up the Federal responsibility very well indeed. This editorial said:

"Education being in the United States primarily a local responsibility, the main burden of revitalizing the country's schools and colleges must be assumed in the States and several school districts and by voluntary efforts of industry and labor and other citizen organizations. But the Federal Government must make two major contributions.

"First, for an emergency period, it must render financial aid to the States on a generous and imaginative scale in order to enable them to overcome the terrible lag that has developed from the two generations of neglect. Second, the Federal Government must provide leadership to arouse the Nation to the gravity of this neglect and to the vital importance of education as an element of national security.

"Happily, the American educational structure, though impoverished, is essentially sound; it rests on a rich tradition and it can count upon the fervent support of the American people when they are led to understand what is at stake. It constitutes nothing less than the key to the American future."

Other bad effects of inaction on the school front are unemployment, delinquency, and crime, which over the years will cost the community and the Government much more than the provision of an adequate education. This is not only the right thing to do, it is the sensible thing to do.

While we have been debating school legislation, the Soviet Union has greatly expanded its educational facilities. For example, in the past 15 years the average number of pupils per teacher in elementary and secondary education has been reduced from 27 to 17. And our educational authorities report that in the Russian 10-year elementary and secondary system their youngsters receive more hours of instruction than our children receive in our 12-year system.

It is clear that all along the educational line we need to make far greater efforts to encourage the fullest possible development of the minds of our youth and to assure that talent will not be wasted for lack of opportunity.

In concentrating immediately on the elementary schools and the high schools, we must not overlook the fact that there is

rapidly developing a tremendous shortage in college capacity.

It is clear that unless we take some drastic steps to expand the capacity of our colleges, many of our brightest young men and young women will have no place to go. It is also clear that unless we find ways of reducing the constantly rising cost of higher education, many of our brightest young men and young women will be priced out of a college education.

The United States Office of Education has recently reported that the average cost of attending college is now \$2,000 a year, or \$8,000 for a 4-year education. In families where there are three or four youngsters looking toward a college education, the financing of such training poses a formidable, and often insurmountable, obstacle.

There have been many proposals for the establishment of a broad program of scholarships, perhaps with Federal and State support. A scholarship program would help many gifted youngsters attend college who might not otherwise do so.

On the other hand, it must be recognized that unless the total capacity of colleges is expanded, the new scholarship programs will merely bring about a displacement process. A scholarship program would do nothing at all to meet the sheer shortage of buildings, laboratories, teachers and other facilities necessary for a first-class education.

Similarly, there have been suggestions for long-term loan programs under which a student or his parents could borrow the necessary funds to finance a college education and then repay them when he has begun earning a living. This suggestion, I am told, has been criticized by some of the potential recipients on the basis that, although they desire a college education, they are reluctant to mortgage their futures to the extent that might be necessary.

The cost of a college education is so high that the repayments would weigh heavily on their budgets as they go about the usual process of getting married and raising a family—and this process is certainly desirable socially. A loan program might be helpful to a point, but there is a real question as to how much of the problem it would remedy.

From the viewpoint of the educational institutions themselves, neither of these programs meets the problem of how to avoid increasing the cost of tuition. It is well known that tuition fees meet only approximately half the cost. Thus, each step toward expanding the size of the student body makes the financial situation of our existing colleges, particularly the private colleges, even more pressing.

I have introduced legislation to provide Federal assistance to States interested in making a thorough survey of their anticipated needs in the field of college education and to help them determine what steps should be taken to meet this need.

Unfortunately, in many of our communities there are no public facilities available for higher education. Accordingly, I have introduced a companion bill in which I have suggested that the Federal Government assist the States in the establishment of the 2-year junior colleges which are known as community colleges in many cities.

The advantages of the community-college program are easily identifiable to readers of this publication. It would make possible training at a readily accessible place and without the extensive cost of dormitory living. The community colleges are particularly adaptable to meeting the needs for training beyond the high school, but for less than 4 years of college. In many fields of work, particularly technical in nature, there are now five jobs requiring 2 years of college for each one requiring a 4-year college education.

It will be by the growth of techniques such as this that we can come even close to meet-

ing the need for space for another 3 million qualified young men and women who will be seeking admission to college in the next dozen years.

Certainly, people in the labor movement realize that adequate education is essential to operating the complicated machines which are the key to our record of high productivity. We need educated men and women as never before.

The failure to expand facilities for higher education will take its toll as our population continues to grow and the number of doctors, scientists, teachers, and ministers does not grow apace. It will take its toll in industry and commerce as higher and higher skills are demanded and proportionately fewer and fewer young people can provide them. The Nation will lose the benefits of the talents and brainpower of the bright youngsters, and this loss can be counted in discoveries unmade and in services unrendered.

The suggestions I have made offer only a part of the solution. The basic problem is really one of upgrading the public attitude toward education. The low rung on the economic and social ladder occupied by our teachers should be recognized and drastic steps taken to overhaul this unjust and unworthy situation.

To this extent, certainly, the revelations about the emphasis of Russia on its educational program should serve a useful purpose.

We would not hesitate to spend millions—or billions—on some new weapon for the defense of our Nation. We should be equally willing to spend the necessary amounts to provide the best rounded educational program for our youngsters, for with them lies the future of our Nation.

SENATOR WILLIAMS, OF DELAWARE—"THE WATCHDOG OF THE TREASURY"

Mr. BUTLER. Mr. President, our good friend and distinguished colleague, the senior Senator from Delaware [Mr. WILLIAMS], has on more than one occasion been called the Watchdog of the Treasury. This is a distinction fully deserved. It reflects his great tenacity, vigor, and thoroughness in protecting the Federal Treasury. To most Americans, it is an affectionate title, spoken with thankful respect. To a few, however, it has been an omen of justifiable downfall.

A typical example of Senator WILLIAMS' vigilance in exposing tax frauds is recounted in an interesting article entitled "How the Senator Made the Racketeer Pay," appearing in the April issue of *Coronet* magazine, which, Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW THE SENATOR MADE THE RACKETEER PAY (By Deane and David Heller)

This year approximately \$46,610,239,000 in Federal income taxes will pour into the Treasury. The money will come from 60,186,000 taxpayers. Some will pay with a sense of resignation, others with a feeling of patriotism, and a few under protest. Nevertheless, they will pay. For as citizens they think they should.

Contrast this, then, with the attitude of triple-chinned, 360-pound Big Bill Lias, of Wheeling, W. Va. Described by the FBI as the racket czar of West Virginia and southern Ohio, bootlegger, slot-machine mogul, numbers operator, and gambler, he has amassed millions. But for years he cyni-

cally scorned even to file a tax return; and thereafter, although he went through the motions of filing, he resorted to every gimmick, dodge, and loophole that a racketeer with political connections can use to thwart our tax laws, according to United States Senator JOHN J. WILLIAMS, of Delaware.

Ultimately trapped through the efforts of Delaware's "watchdog of the Treasury," Lias has fought back bitterly as his assets were seized and \$1,788,139 turned over to the Government for back taxes. He still owes close to another million, and faces possible deportation to Greece as an undesirable alien.

In a half-mocking, half-indignant retort, Lias claimed he thought income taxes were only for law-abiding citizens when the Senator forced him to admit, at a hitherto undisclosed conference in Washington, that he had failed to file any tax return until 1934.

Incredible as was Lias' attitude, it was no more so than some of the assertions and facts that emerged from his case (which Senator WILLIAMS had branded as the worst example of tax enforcement against the Nation's big-shot racketeers):

(1) Big Bill's boast that two prominent Congressmen accompanied him to the Office of the Commissioner of Internal Revenue to help adjust his tax difficulties.

(2) Lias' claim that he was friendly with a Federal judge who allegedly approved a deal whereby Big Bill was to be fined and put on probation instead of being jailed for pleading guilty to income-tax evasion.

(3) Lias was permitted to settle his income taxes for about 12 cents on the dollar; and the revelation that, despite delinquencies extending over 30 years, he has never been convicted on a tax charge.

The most incredible shocker of all came when tax officials, prodded insistently by Senator WILLIAMS, got the Government to place Wheeling Downs, Lias' racetrack, in receivership and impound his profits. A highly respected Wheeling lawyer, Carl O. Schmidt, was appointed to handle the track. But he couldn't run it profitably because he did not know the racing business. So the court appointed Lias general manager.

For his services, Big Bill was paid a \$35,000 annual salary, of which \$25,000 was applied to his tax debt. As assistant manager, Lias hired George Lewis, under prison sentence as a \$1 million income-tax dodger, who was temporarily free while his conviction was being appealed.

Senator WILLIAMS got into the Lias case in March 1951, while in the midst of his sensational revelations of corruption in the Internal Revenue Service which ultimately forced T. Lamar Caudle, Assistant Attorney General, and other tax officials from office. The late Chester Potter, a newspaper reporter, tipped the Senator that Lias had offered to settle his \$2,230,744 tax liability for \$500,000. The offer "was about to be accepted by the Internal Revenue Service," says WILLIAMS. "By working fast I was able to keep the compromise from going through."

After a 7-month investigation, Senator WILLIAMS gave the Senate a report on Big Bill's underworld career, and how it allegedly flourished under official laxity. Lias got his start in 1914, when he was delivering bread for a bakery to Ohio. "He would take bread over and bring back a wagonload of beer and whiskey," Senator WILLIAMS said. (Lias' lawyer, Thurman Hill, later revealed Lias accumulated some \$219,000 by the time he was 26, and had the largest illegal liquor business in the area of Ohio, Pennsylvania, and West Virginia between 1922 and 1930).

Lias, according to Senator WILLIAMS, had been convicted on bootlegging charges four times, jailed three times, and fined a total of \$17,250. Of these, fines of \$3,500 and \$10,000 had been carried on the Government books

as unpaid until 1946, nearly 20 years after they were assessed.

Senator WILLIAMS told the Senate that on March 22, 1938, Lias "offered to pay \$10,400 for all civil and criminal liabilities of income tax, penalties, and interest for all years prior to 1934." The offer was accepted; \$80,003 in tax indebtedness settled for approximately 12 cents on the dollar. But after making three \$1,000 payments, Big Bill's accountant wrote the Department of Justice that Lias was broke and couldn't pay any more. Subsequently, he made the same plea of poverty regarding his taxes for the years 1934 through 1940.

All of which was extremely peculiar, Senator WILLIAMS declared, because later in disputing Government assessments on his large increase in net worth during the years 1942-46, Lias claimed the increase resulted from \$1 million in cash he carried over from the prohibition era.

The years 1942 to 1946 were easy ones for Big Bill. "During (that) period, the income-tax returns of Mr. Lias were not audited, the excuse being given that during the war the Treasury Department was short of help," Senator WILLIAMS charged. In 1947, an audit was begun and when Lias' expenditures apparently exceeded his reported income, the years 1942 to 1946 were opened. As a result, taxes of \$1,276,320.18 were assessed. Penalties and interest of \$716,850.81 brought the total to \$1,993,170.99.

During this investigation, two of Big Bill's establishments were also found to have "forgotten" some of their income, Senator WILLIAMS declared. The Automatic Cigarette Sales Co., Inc., Wheeling, W. Va. (Lias' slot-machine distributing company) was assessed an additional \$123,974.52 and Zellers Steak House, Inc. (a plush Wheeling gambling establishment) was assessed \$87,106.28. This brought Lias' total bill, including penalties, to \$2,230,744.82.

As a result of this audit, Big Bill was indicted on five counts of income-tax evasion from which, thus far, he has escaped imprisonment.

Lias pleaded guilty to one count. Then the Government moved to dismiss the other four. The presiding judge, William E. Baker, agreed with the Government's routine move and sentenced Lias to 5 years in prison. But about 2 weeks before he was to begin his sentence, Big Bill exploded a bombshell.

Charging in open court that he had been doublecrossed, he asked the judge to vacate his 5-year sentence and permit him to withdraw his plea of guilty. Big Bill claimed that (a) despite his plea, he was not guilty, and (b) because of the friendship existing between Judge Baker and himself and because of a conference between Judge Baker, the United States District Attorney, C. Lee Spillers, and his own attorney, Carl B. Galbraith, he had pleaded guilty since he was led to believe he would not be jailed but "would receive a substantial fine and suspended sentence and be placed on parole."

Denying there had been any deal Judge Baker said he had told Galbraith that "Lias had been before me five times and I had sent him to prison twice and I wasn't going to put that kind of a man on probation." Spillers also vehemently rejected Lias' contention of a deal.

In support of his motion, Big Bill offered these sworn statements:

"That for a long period of time immediately preceding the entry of the aforementioned plea . . . he and the Honorable William E. Baker . . . were friendly . . . that the . . . judge had been a guest at several of the business enterprises operated by Lias and was well aware of the activities involved in such enterprises . . . (that the judge had visited Lias' office, that Lias had sent him several season passes to his racetrack, Wheeling Downs—which were

returned—that the judge had been Lias' guest at Zellers Steak House.)"

Big Bill's gamble to escape the penitentiary paid off. Judge Baker vacated his sentence, and allowed him to withdraw his guilty plea. In a later trial, Lias was acquitted.

In cracking the case, Senator WILLIAMS pointed out that the acquittal of Lias on criminal charges had not ended his civil liability for his \$2,230,744.82 income tax due; and that for nearly 3 years the Internal Revenue Service had done little to collect it. He further charged that 8 days before his trial, Lias had made gifts of nearly half a million dollars in property and securities to his brother and brothers-in-law; and, by excessive payments in salaries and dividends to relatives further drained off his assets.

The IRS, slow to move against Lias, now became tough; and Big Bill, suddenly losing hope of quickly settling his tax troubles, telephoned Senator WILLIAMS, insisting on seeing him at once in WILLIAMS' private office in the Senate Office Building.

But, on March 13, 1952, when he arrived for his private session with the Senator, he found himself in an executive session of a subcommittee of the Senate Committee on Finance. He was not very convincing as he sat overflowing onto two chairs.

Invited to "tell your own story in your own way," Lias claimed, according to Senator WILLIAMS, that Members of Congress at various times intervened for him in income-tax matters; confessed he hadn't filed at all until 1934 and admitted he had about \$700,000 in cash at a time when he told the Government he could not meet a \$500 income-tax payment.

Senator WILLIAMS also questioned Lias briefly about another of his scrapes with the law—one that failed to become a nationwide scandal only because of the direct intervention of influential politicians.

"During rationing, right after World War II, when critical materials were scarce and millions of veterans couldn't find homes, Lias built Wheeling Downs racetrack; the OPA investigated him and recommended prosecution," WILLIAMS said.

"I was told that when the file was sent to the district attorney in Wheeling, it was bounced back with the notation 'the District Attorney flatly refuses to prosecute.' I tried to get a copy of the file but, instead, received a letter from Eric Johnston, administrator of the agency, stating that because of '... an historic public policy recognized generally and in the courts that Government files should be kept confidential except in limited circumstances, such as by direction of the President, etc., ... it is my duty ... not to release this file.'"

Big Bill disclaimed personal knowledge of the OPA affair.

Spurred on by Senator WILLIAMS, Government receivers took over Lias' property, including Wheeling Downs. In United States tax-court proceedings, deficiencies were sustained against Lias personally for \$2,487,548.87, against his slot-machine company, Automatic Cigarette Sales Co., Inc., for \$176,466.42 and against his plush gambling spot, Zellers Steak House, Inc., for \$37,543.53. Lias' deficiency included a 50-percent penalty for fraud. The United States Court of Appeals affirmed the decision, and the United States Supreme Court refused to review it, slamming shut the door on Big Bill's last hope on April 22, 1957.

How did Uncle Sam finally make out in the tangled Lias affair? Not too badly, thanks to Sen. WILLIAMS and a new crop of Revenue officials. All Lias' assets, including the race track, have been sold, and approximately \$1,783,139 in back taxes collected. That's still almost \$1 million short, of course. But any new Lias assets which can be found will be seized.

Meanwhile, the Government's long-delayed suit against Lias as an undesirable alien is

being pressed. Should judgment go against him, he may yet be deported to Greece, where the United States Government claims he was born.

CLARIFICATION OF NAVIGATION RULES FOR THE GREAT LAKES

Mr. MAGNUSON. Mr. President, last Monday, on the call of the calendar, the Senate passed S. 1976, which clarifies the application of navigation rules for the Great Lakes and their connecting and tributary waters.

Concurrent with the Senate action, the House passed an identical measure, H. R. 7226. That bill is now at the desk.

Under the circumstances, I ask unanimous consent that the Senate reconsider the vote by which S. 1976 was passed; that H. R. 7226 be laid before the Senate for passage in lieu of the Senate bill; and that S. 1976 be indefinitely postponed.

Mr. JAVITS. Mr. President, reserving the right to object, will the Senator from Washington inform us whether this matter has been cleared with the minority leadership?

Mr. MAGNUSON. It has not been cleared. I am merely suggesting action on the House bill to clarify the matter. An identical bill was passed by the Senate. I did not know that it would be necessary to clear the request with Senators. Senate bill 1976 was passed unanimously by the Senate, and at the same time the House passed an identical bill. I simply wish to clarify the situation by having the vote by which the Senate bill was passed reconsidered, and to have the House bill passed. The House bill contains language identical with that of the Senate bill.

I can wait, if the Senator wishes, but the matter is quite important to navigation on the Great Lakes.

Mr. JAVITS. The Senator may proceed. I withdraw my reservation.

The PRESIDING OFFICER (Mr. COTTON in the chair). Without objection, the vote by which Senate bill S. 1976 was passed is reconsidered.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 7226) to clarify the application of navigation rules for the Great Lakes and their connecting and tributary waters, and for other purposes, which was read twice by its title.

The PRESIDING OFFICER (Mr. TADMAGE in the chair). Is there objection to the request of the Senator from Washington?

There being no objection, the bill (H. R. 7226) was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1976 is indefinitely postponed.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded; and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN] for himself and the Senator from Iowa [Mr. MARTIN], to strike out sections 5 and 6.

Mr. ELLENDER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

READJUSTMENT OF POSTAL RATES

Mr. HUMPHREY obtained the floor.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield to me on another matter?

Mr. HUMPHREY. I shall be glad to yield to the Senator, providing I do not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON of South Carolina. Mr. President, I ask the Presiding Officer to lay before the Senate the message setting forth the action of the House of Representatives on the amendments of the Senate to the postal rate bill.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JOHNSTON of South Carolina. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

Mr. KNOWLAND. Mr. President, I wonder whether the distinguished Senator from South Carolina would postpone his request for a few moments. I should like to consult the ranking minority member of the Committee on Post Office and Civil Service. I understood the matter was not to be brought up at this time.

Mr. JOHNSTON of South Carolina. I withheld my motion yesterday. I understood it would not be brought up then. I have discussed the matter with the Senator from Kansas [Mr. CARLSON]. I told him what I was going to do.

Mr. KNOWLAND. As a matter of courtesy I should like to have the opportunity to discuss the matter with him before conferees are appointed.

Mr. JOHNSTON of South Carolina. Very well.

The PRESIDING OFFICER. The message will be temporarily laid aside. The Senator from Minnesota has the floor.

Mr. JOHNSON of Texas subsequently said: Mr. President, will the Senator from Minnesota [Mr. HUMPHREY] yield to me briefly so that conferees may be appointed on the postal-rate bill? I must leave the Chamber, and the Senator from South Carolina [Mr. JOHNSON] would like to move that conferees be appointed.

Mr. JOHNSON of South Carolina. Mr. President, I have already moved that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate. I renew my motion.

The motion was agreed to; and the Presiding Officer (Mr. LAUSCHE in the chair) appointed Mr. JOHNSON of South Carolina, Mr. MONROE, and Mr. CARLSON conferees on the part of the Senate.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. HUMPHREY. Mr. President, I wish to direct my attention for a few moments to the full context of S. 3420, to extend and amend the Agricultural Trade Development and Assistance Act of 1954. I also wish to comment upon some of the observations which have been made relating to the bill and the amendments included therein—observations made by my colleagues in the Senate and observations made by the Department of Agriculture in its letter of March 11, signed by Mr. Benson, which letter was referred to in yesterday's debate.

Consistent with our desire to utilize more of our agricultural surpluses, and at the same time spread the benefits of the program to our own country as well as to foreign nations, we found it necessary to reexamine and restudy certain portions of the law relating to the so-called barter program.

Mr. President, the committee report gives a section-by-section analysis. As I gather, the main area of discussion in the Senate is over the barter provisions. I believe it is pretty well agreed that the other provisions are acceptable and desirable.

There are those who wonder why we should ask for a 2-year extension of the act. The answer is that the farm organizations which have testified in behalf of the program every year have indicated the desirability of having at least a 2-year authorization, in order to give the Department of Agriculture the flexibility which is needed to enable it properly to administer the law. Many times agreements are in the process of being entered into but are not completed at the end of a fiscal year merely because the authorization was not a continuing one. Then after Congress has again authorized the program on a year-to-year basis, the negotiations are picked up again and started anew, thereby requiring a considerable loss of time and, at the same time, a loss of markets.

Section 1 provides the authorization on a fiscal year basis of \$1,500 million a year. That is at the rate the administration is asking for. There is no reason to believe that the program will not be needed for at least another year beyond the present fiscal year. As a matter of fact, it is my belief that Public Law 480 will become a definite part of our overall foreign economic policy and our overall agricultural policy for several years to come. I am convinced in my own mind that, no matter what efforts are made to bring production into balance with demand, such efforts will not be fully successful. Therefore, we will need a constructive outlet for the abundance of our food and fiber.

Very frankly, Mr. President, Public Law 480 is the most constructive agricultural legislation of recent years. It is more than agricultural legislation. It is the beginning of a sound foreign economic policy. It is a vital part of our national security. It represents a new tool in our foreign policy, a new application of the resources of our country to the constructive ends of peace, security, and progress throughout the world.

We propose to amend the law so as to make available some of the foreign currencies generated to provide assistance in the "expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States, for the purpose of enabling such educational institutions to carry on programs of vocational, professional, scientific, technological, or general education; and in the supporting of workshops in American studies or American educational techniques, and supporting chairs in American studies."

Stated in layman's language, the amendment simply provides that when American food is sold to a friendly nation, that part of the proceeds obtained by our Government from the sale of the food may, by agreement, be designated for educational purposes. For example, some of the great American universities overseas, such as Roberts College, in Turkey, the American University in Beirut, Lebanon, the American University in Cairo, and many other overseas institutions, are desperately in need of additional economic assistance. Since they are located in foreign countries, they can utilize foreign currency.

In countries where sales of American surplus agricultural commodities are made, and foreign currency thereby obtained, we will make available, under the terms of the amendment, a portion of that money to American educational establishments.

In 1953 President Eisenhower suggested in a speech at Baylor University, Waco, Tex., that the United States engage in a program of vocational education and aid to technical schools throughout the world, especially in the underdeveloped areas and among the underprivileged peoples. That was an excellent speech. I checked the CONGRESSIONAL RECORD and found that it was heralded in the Senate. The President received praise for his worthy motives. The only thing is that nothing was ever done about it.

This amendment makes it possible to do something about it.

In other words, American wheat can be converted into education; American cotton can be converted into vocational education and technical aid for countries with which the United States has alliances, treaties, mutual-security arrangements, or mutual-assistance pacts, or wherever we believe it would be desirable or helpful to our national defense and foreign policy. I am convinced that the provisions in the bill for the expansion of educational establishments by the use of Public Law 480 funds are highly desirable.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram I received yesterday from the National Farmers Union, endorsing the extension of Public Law 480 and S. 3420, which is now before the Senate.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., March 18, 1958.
HON. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Over 600 delegates meeting now at National Farmers Union Convention in Denver, unanimously urge your support of Public Law 480 extension, as reported by Senate Agricultural Committee.

JAMES G. PATTON,
President, National Farmers Union.

Mr. HUMPHREY. Mr. President, I shall confine the remainder of my remarks to section 303 of the bill, even though I must say that title I and title II of the bill, the parts which relate to the sales of our surplus commodities for foreign currencies and contributions for famine relief, are undoubtedly the most significant portions of the bill or of the program under Public Law 480.

I also, in particular commend the voluntary agencies of the Nation, both sectarian and nonsectarian, for the wonderful work they have done in sending American food and fiber to needy peoples throughout the world under their programs of charity and philanthropy. Make no mistake about it, the food programs of the Nation, particularly the programs which are conducted by the great voluntary and religious groups of all denominations and faiths, are doing more to build good will for the United States than is any other single thing our Government does overseas.

Furthermore, those programs comport with the spirit of our country—the spirit of generosity, compassion, and humanitarianism.

So I pay tribute to the great work of the voluntary organizations of church groups of the Catholic, Protestant, and Jewish faiths, and other groups like CARE, because they have extended the hand of mercy and helpfulness by the use of American surplus foods in their programs of relief and charity overseas. A little more of this kind of policy on the part of our country, such as the work accomplished through the voluntary groups, and there will be much less tension and a much greater hope for peace throughout the world.

I take the time of the Senate to mention this because I am convinced that

far too few people in America really know what a blessing it is to have an abundance of food and fiber. The abundance which is referred to as surplus is one of our truly great material and spiritual assets. I often think what a terrible thing it would be if our Nation was not in a position, because of its abundance, to help those who really need help. I wonder how the American people would feel if we had programs forced upon us by some of the tough-minded economists and economizers, who have talked about bringing production into balance with domestic demand, if such a situation had happened when literally thousands and thousands of our friends were starving to death, and we were choking off food production in America simply to satisfy an economic theory.

The use of all surplus foods and fibers has been a positive asset for peace. In the years to come, we should plan to have extra food and fiber for our foreign policy needs, for our national security needs, and for the humanitarian needs of the people of not only America, but of the world.

I hope that some day Congress will stop talking about having an agricultural policy which will only be one of strictly supply and demand. Nothing could be more cruel, nothing could be more ruthless, nothing could be more un-Christian, nothing could be more un-American. What is really needed is sufficient food and fiber to meet our domestic needs, and, at the same time, to extend the warm hand of compassion to people who need help. This our country can afford to do.

When I have heard what the cost will be, as it relates to Public Law 480, the cost is immaterial. As a matter of fact, the cost is insignificant as compared with the cost which is now being incurred by Congress in many areas of activity. I think of the utter futility of the arms race, which no one can want, an arms race into which we are about to pour billions of dollars, because we are not smart enough to know what else to do, because of the ruthlessness of Soviet tyranny. Such an arms race cannot lead to peace, but ultimately will lead to catastrophe, unless something is done about it. When I think of the futility of that arms race and its cost, I am amazed to hear anyone comment, even momentarily, on the cost of our program in regard to surplus food and fiber. As a matter of fact, the cost of the failures in the attempts to launch missiles has been as great as the cost of the donation programs for all our church organizations all over the world. What is more, under Title I of the bill we shall be able to sell a great deal of food and fiber in other countries. Under Title I, we shall obtain currencies—not dollars—of the recipient countries.

I have heard some say that the currencies of some countries are not worth very much. I submit that is a very unfair reflection upon some of our allies. I wish to say now that the currency of Greece is worth something; it is worth the integrity of Greece. And Greece is a faithful ally of our country. It ill behooves any Member of Congress or

anyone else to say that the currencies of some of these countries which are our allies, lack worth or value. But upon occasion I have heard some reflection upon the currency of countries such as Turkey. However, Mr. President, I say that Turkey, with her 32 divisions, is worth all the food the United States of America can give her, and then some—currency or no currency.

There happen to be more than five million men in the ground forces of our allies who are joined with us in mutual security. If those five million men were not there, we would have to have five million additional men in the Armed Forces of the United States, because the ultimate target of Soviet aggression is the United States of America.

So, Mr. President, whatever we have to pay or whatever we may have to do in order to be assured of the friendship, the loyalty, and the allegiance of peoples elsewhere, is all to our benefit.

Mr. President, I mention these things simply because some Members will discuss certain portions of the bill and will attempt to make it appear that there is something drastically wrong. They will literally discuss a detail when, in fact, what we are discussing and what we should be thinking about is the grand design, the total, overall operation of a foreign economic policy, of which food and fiber are integral parts.

Mr. LONG. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. Talmadge in the chair). Does the Senator from Minnesota yield to the Senator from Louisiana?

Mr. HUMPHREY. I yield.

Mr. LONG. Is it not possible to make these arrangements so that the loans will be paid off in dollar equivalents? In other words, if the foreign country were to inflate its currency, it would then make a larger monthly payment to the United States, in order to offset or provide for the difference in the exchange of currencies.

Mr. HUMPHREY. We do that under Public Law 480 agreements. In the agreements we include a cushion for the inflationary factor.

Mr. LONG. In that way we could protect ourselves, as regards repayment of the loans.

Would not it be possible for our country to spend some of those soft currencies for the purchase in those countries of various commodities and thereby tend to maintain their value?

Mr. HUMPHREY. Yes, indeed. In fact, I have repeatedly recommended to the executive branches of the Government that, where possible, we immediately utilize the currencies obtained from the sale of American surplus commodities for the purchase of materials, which may be needed for our purposes, in other parts of the world, particularly in the countries where the sales have been made.

Mr. LONG. Yes.

Mr. President, will the Senator from Minnesota yield for a further question?

Mr. HUMPHREY. I yield.

Mr. LONG. Does not our military-assistance program have the effect of helping the American manufacturer or

producer make a profit, when our Government places with him an order to build a tank, for instance, because as a result of producing that commodity he receives some benefit and profit from the foreign-aid program?

On the other hand, is it not also possible that a farmer could be helped simply by the sale of some of our agricultural commodities? As a result, the United States could use the soft currency obtained by selling such agricultural commodities to pay the foreign country to produce a commodity which could be produced there, and in that way the farmer would be helped by the program.

Mr. HUMPHREY. Yes. As a matter of fact, the barter provisions of the bill make that possible.

Mr. LONG. Yes. So, while it is a good idea to help our industrial producers, it is also a good idea, in connection with the program, to give help to the American farmer.

Mr. HUMPHREY. Yes. I thank the Senator from Louisiana for his timely observation.

Mr. President, the argument on the bill seems to center around section 303, which provides for a revision of the barter section of Public Law 480.

The barter provisions of the bill, however, constitute only a small part of the total. The barter provisions are revised in the pending bill, simply because in recent months the Department of Agriculture refused to utilize the barter tool or the barter authority which was granted under Public Law 480, and which had been used for 2½ years. Suddenly the Department of Agriculture ended its use.

Yesterday, I stated candidly, frankly, and honestly that we had requested the Department of Agriculture to suggest language which would be helpful in giving guidance to the Secretary, in order to facilitate the proper use of barter arrangements. The response to that request from me is set forth in the first paragraph of the letter received on March 11 from the Secretary of Agriculture. The response is in the negative. I now read that part of the letter, which is addressed to the Senator from Louisiana [Mr. ELLENDER].

We have been requested by Senator HUMPHREY to give consideration to, and to report to your committee on, possible language changes in the proposed amendment to title III of Public Law 480, 83d Congress, which would make it more acceptable from our standpoint. This legislation would direct the Secretary of Agriculture to barter up to \$500 million worth of agricultural commodities per year for materials under certain conditions. We are, however, unable to formulate any changes, short of the virtual nullification of the proposed change, which would eliminate our objections. The Department of Agriculture wishes to go on record as being vigorously opposed to its enactment into law.

It is on that statement of opposition that considerable debate has already taken place in the Senate.

I should like to direct my attention, for a few moments, to the reason why I believe the opposition of the Department is unwarranted and cannot properly be validated or substantiated by the Department's arguments.

As I stated earlier, the method by which the Secretary of Agriculture—and let me say that here I refer to the Secretary only because he is the head official of the Department of Agriculture; actually, the one primarily involved is the head of the Commodity Credit Corporation—has killed the program has been one of interpreting certain language in existing law which permitted the Secretary of Agriculture to barter when he determined that such transactions afforded an opportunity to protect the funds and assets of the Commodity Credit Corporation. Based upon my study, and the studies which were made during the hearings, we have come to the conclusion, and therefore in this section are making the determination, that barter does protect the funds and the assets of the Commodity Credit Corporation.

The evidence on this point, which incidentally was furnished to us by the Department of Agriculture, cannot be legitimately contested. However, operating under their own interpretation of the present law, which interpretation, incidentally, was made more than 2 years before they started operating a sizable program, the Department of Agriculture established a requirement that before materials could be accepted in exchange for surplus agricultural commodities, the offerer either had to assure the Commodity Credit Corporation that the commodities going into a particular country were in addition to the normal cash sales, or sell them in certain specified countries where no certificate of additionality was required.

It is a matter of record, furnished, incidentally, by the Department of Agriculture, that from the time this requirement was established, which was May 28, 1957, until the end of October, or November 1, 1957, only one barter contract had been made, for a total of \$400,000. That was in sharp contrast to the preceding months in 1957, when approximately \$20 million worth of contracts were being made each month. In fact, the Department of Agriculture's figures for 1956 indicate that they contracted for \$423 million worth of materials under barter arrangements.

I wish my colleagues to note that this so-called certificate of additionality has been predicated upon certain language in the present law. A certificate of additionality is not required by law. It is an interpretation of existing law carried out by administrative regulation.

I also want my colleagues to know that for more than 2 years no such certificate was required, and that even when barter arrangements were made, at the rate of about \$200 million a year, the Secretary of Agriculture never required any such certificate. What is more, during that time the Secretary had an arrangement which permitted the offerer of the barter to have the use of the proceeds from the sale of Commodity Credit Corporation goods, with no interest charged, which, of course, gave the offerer of the barter arrangement a considerable economic advantage.

All at once, on May 28, 1957, with little or no information given to anyone—and surely, to my knowledge, no information

given to the Congress—despite 2½ years of experience under the present law, and with nothing in the testimony before any committee of Congress indicating anything wrong with the present law, the Department closed off barter, shut off the spigot, stopped the entire business, under the guise of new rules and regulations which they claimed were suddenly necessary.

Mr. President, one of two conclusions seems inevitable. Either for 2½ years the Department was guilty of gross mismanagement, or the ruling of May 28, 1957, was unwarranted. One or the other alternatives must be accepted. They cannot have it both ways, because if for 2½ years they did not need the ruling of May 28, if for 2½ years they did not need a certificate of additionality, if for more than 2½ years, during which almost \$1 billion worth of agricultural goods were bartered, the administrative action of May 28 was not needed, then apparently there was no reason why the action of May 28 was needed at all. Or, if it was needed, it was needed earlier, because the high rate of barter was in 1956. That was the year when most of the goods were bartered. I should like to know where the representatives of the Department of Agriculture were when there was bartering left and right, when parties were bartering on a very limited list of materials, most of which were diamonds. Were they asleep at the switch, Mr. President? Is this what we ought to be looking into? Should the Congress thoroughly investigate this matter and determine really what went on, because for more than 2½ years the Department of Agriculture did not require in its rules and regulations the language which was made effective on May 28, 1957?

Mr. ELLENDER. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. I yield.

Mr. ELLENDER. Is it not a fact that the committee adopted the provision suggested by the distinguished Senator from Minnesota because the rules and regulations of May 28, 1957, actually killed off barter?

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. I understand the distinguished Senator proposes to offer an amendment in a little while which would make some changes in the language dealing with the materials which may be bartered for. It would still expand the list of such materials over what we have now.

Mr. HUMPHREY. Yes.

Mr. ELLENDER. Otherwise the law would be administered just as the Secretary of Agriculture administered it prior to May 28, 1957.

Mr. HUMPHREY. Yes. I have said quite candidly that I do not contend the amendment is perfect, but the whole purpose of it is to have the barter program resumed, as it is needed.

I want my position perfectly clear. I personally believe the best program in most instances is sale for foreign currency, under title I. It is the one I have supported vigorously. However, I also note that even in the Commodity Credit Corporation charter the Department of

Agriculture is authorized and directed to barter in order to protect the assets of the Commodity Credit Corporation. Furthermore, it is directed to barter for strategic and critical materials which go into the national stockpile or into the supplemental stockpile.

In fact, in the Agricultural Act of 1956 we amended the barter provisions so as to include more than strategic materials, and specified strategic and other materials, which is exactly what the language of section 303 requires, using the word "materials" only. Later I intend to offer a clarifying amendment to change the language to "strategic and other materials," so the language will be in coordination with and fall into the pattern of the Agricultural Act of 1956, which provides for stockpiling of strategic and other materials. That is what we are talking about in section 303. If there is any doubt about the language, I think we ought to change it. It is my intention to do it, under the procedures permitted in amending the bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Vermont.

Mr. AIKEN. Would the Senator still be for his barter provisions if he knew that the result would be the disruption of foreign markets for American commodities and the offering of American commodities at from 4 to 10 percent below the prevailing price? Would the Senator still be in favor of it, if he knew that? I am not saying it is so; I am simply asking the Senator if he would be in favor of it if he knew it meant a reduction of 4 to 10 percent in the market price of American grains, oils, or anything else sent to Western Europe?

Mr. HUMPHREY. I wish to say to my friend from Vermont, first, I do not wish to see foreign markets disrupted, but neither do I want to see American agricultural markets left static.

I shall now refer to the point raised by the Senator. First of all, a company which seeks to barter surplus agricultural commodities must pay the Commodity Credit Corporation the price of such commodities. The company must pay the price which the Commodity Credit Corporation asks.

If such a barterer, after having paid the price which the Government has asked, and which the Government has determined is a fair price, is able to make a sale, I see no reason why we should object. It is perfectly true that if American exporters are to make sales, they will have to do 1 of 2 things: Either they must give a better product or they must give a better price. How else can a sale be brought about?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. As I understand the Senator from Minnesota, he is saying that he has no objection to the barterer going into foreign markets if he is smart enough to do it, and taking a 4- to 10-percent advantage over other American businessmen, thus cutting the props out from under them. Is that a correct statement of the Senator's position?

Mr. HUMPHREY. First of all, let me say frankly to the Senator from Vermont that these barterers are American businessmen.

Mr. AIKEN. Very few of them.

Mr. HUMPHREY. There is no law to restrain them. More of them could be American.

Mr. AIKEN. I think they have foreign financing.

Mr. HUMPHREY. I am not going to base my case upon what I think. I am saying the record before the committee is that those who have been engaged in barter are American business firms. They buy the same commodity any other business firm buys from the Commodity Credit Corporation, and they buy it at the same price. The advantage they have had up to date was not an advantage Congress gave them; it was an advantage which the Department of Agriculture gave them, the advantage of permitting a barterer or offerer to come to the Commodity Credit Corporation with a deal.

The Secretary, after consulting with the General Services Administration, with the Office of Defense Mobilization, with the Office of the Secretary of the Interior—after consulting any and all affected agencies of the Government—then made a determination that such a deal was a fairly good one. The Secretary will do that under the amendment we have suggested. If the Secretary thinks it is a good deal, and if he thinks it is something that will permit us to get along fairly well, he is then at liberty to offer to the barterer or the business firm the Commodity Credit Corporation's commodities.

In the past the Secretary gave the barterers the commodities at a time before the delivery date of the material which was to be received. In other words, he gave them the agricultural commodities, let us say, in January of 1957, with a receiving date for the goods to be obtained of December 1959, 2 years later. It was during the 2-year period, between the time the bartering company obtained the Commodity Credit Corporation goods and delivered the metals for which the barter deal had been agreed upon, that the interest-free money was available. In other words, the company was able to sell the Commodity Credit Corporation goods and was able to get money for them, yet at the same time did not have to deliver right away the metals which the Department of Agriculture agreed to receive under the barter arrangement.

It was the interest-free money—the interest-free money which the Department of Agriculture permitted—which made possible the underselling in the market. That process made possible the special advantage of the bartering companies.

Mr. President, the Secretary of Agriculture has stopped that practice, and there is nothing in the bill before us which changes the situation at all. As a matter of fact, it is now required that the bartering company pay interest, exactly as anyone else would.

That is provided by administrative regulation. So all the problems incident to barter which the Department says it

had, were problems the Department permitted to arise under the law it was administering. All we are attempting to do by the amendment is to say to the Secretary, "Look, Mr. Secretary, we are asking you, as the committee report says, to use prudent judgment, to use good business sense, and to try to barter, if possible, the surplus agricultural commodities in a manner which will be of benefit to the United States of America." That is all we are saying.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Is it not a fact that the Department of Agriculture stopped extensive bartering in May of 1957 for the reason that the agencies in charge of the stockpiles did not desire to accept any more industrial diamonds? Is it not a fact that under the proposal of the Senator, future bartering of barley or vegetable oil for industrial diamonds will require the Commodity Credit Corporation to carry the diamonds if no stockpile will accept them? That is one of the difficulties.

Mr. HUMPHREY. I may say to the Senate that we are not discussing only diamonds. A point was made in the hearings with respect to that. The hearings should be studied. I stayed up rather late last night to refresh my memory of the hearings.

The point was made in the hearings that the Department of Agriculture and the Office of Defense Mobilization were placing limitations on themselves. They were setting limits upon what they would take, without legal requirements to do so.

Mr. President, we have received evidence in the hearings to show that the Government of the United States refused to accept platinum for cotton and refused to accept platinum for wheat. That is a matter of uncontested record. In other words, platinum, which does not deteriorate, which is one of the precious metals, and which can be stored for a fraction of the cost of storing wheat or cotton, was refused. The Secretary of Agriculture and the Office of Defense Mobilization said, "We have enough platinum"—as if we did not have enough wheat.

I have suggested what I am trying to do by the amendment. If somebody comes along and offers to the United States of America platinum for wheat, we are going to be willing to do business if the value of the platinum is at least equal to the value of the wheat. That is what we are trying to do. It seems to me that is reasonable. We are trying to ascertain whether there can be obtained by barter certain minerals, metals, or other materials which do not deteriorate, which we can store for less cost, which perhaps will be needed by our country for national security, for offshore procurement or for the purposes of our national defense. We say that if we can barter for those things, we should do so. What is the argument against that?

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield to the Senator from Kentucky.

Mr. COOPER. My colleague knows I am a strong supporter of Public Law 480. There are many reasons upon which to base my support.

It is very important to our farm population that Public Law 480 be maintained. Further, I consider that Public Law 480, by providing for the sale of surplus food to other countries, contributes a great deal to our program of foreign aid and to our international relations. I am sure the reasons are self-evident.

The law enables our country to assist others to meet the basic needs—food and clothing. These we have in abundance, but there are millions and millions of men throughout the world who do not have enough food and very little clothing.

Even with the programs available under Public Law 480, many needy people cannot understand why this country, rich as it is, does not make available more of its wealth in food. They question the validity of our humanitarian and ethical principles. For religious and humanitarian reasons, this is an excellent program.

And again, it is in our national interest. Today, we are in competition with Soviet Russia, both economically and politically. The Soviet Union can provide strong competition economically because it can direct its economy to meet a particular situation. In the provision of food, however, the Soviet Union cannot match the United States. We ought to be very thankful that we have this great asset. Now I come to the issue that Public Law 480 is a very desirable program. I am very much worried about new provisions which might lead to its ultimate destruction. With high regard for the great interest of my colleague and friend from Minnesota in Public Law 480, I have fears about the barter provision.

One of the things which might cause Public Law 480 to break down would be its use to supplant normal trade channels. That has been used as an argument against the act. If the barter of agricultural products, as now proposed by this new amendment, should bite deeply into normal trade channels for the export of food, eventually it would bring strong opposition to Public Law 480. I think that is the danger in the barter provision in this bill.

Moreover, as the law now stands, it permits barter for strategic materials. Strategic goods needed, and their value, can now be reasonably determined by the Office of Defense Mobilization and by other agencies. But under the proposed amendment with no strict limits as to what goods may come into this country in view of all the elements involved and the many avenues of trade and import, I do not see how any Government agency could really determine whether we need the goods which would be brought in by barter arrangements. Barter operations would upset the normal export and import trade for materials other than strategic materials. I think there is grave danger involved.

I make these points because I am very much interested that Public Law 480 be continued. It is a good law for our country and for our farmers. It is good for

the countries which receive our food and cloth. It is perhaps our best foreign-aid program. It is, today, an area in which the Soviet Union cannot compete with us. So I am concerned about this barter provision which could lead to abuses which might destroy Public Law 480.

I will vote against the amendment but will vote to continue Public Law 480.

Mr. HUMPHREY. I thank the Senator from Kentucky. He was one of the Senators who took the time to come before the committee and testify relating to Public Law 480. His testimony was very constructive and helpful.

I assure the Senator from Kentucky that I have no desire to have any provisions in the law which would bring discredit upon it. Under no circumstances do I wish to see the law administered in any way which would bring discredit upon the purposes of Public Law 480, or prevent it from being properly used for the purposes for which it was enacted. The main argument against the barter provision is that it displaces normal cash sales. A supplementary or corollary argument is that it is an unorthodox method of trading. That cannot be substantiated, because barter is as old as commerce, and it is a definite part of trading in modern commerce and industry.

I believe that the best way to find out about these matters is to take a look at the testimony. It so happens that the Department of Agriculture witnesses were present in the committee when testimony was taken from representatives of some of the large grain companies and others engaged in barter.

It also happens—and I will leave the record for the objective examination of my colleagues—that the Department of Agriculture witnesses did not submit one paragraph of effective refutation of the testimony given by the witnesses to whom I am about to refer.

The Department of Agriculture witnesses came forward with opposition, but were unable or unwilling to provide evidence to refute the very points raised by eminent businessmen of the United States.

For example, one question I asked the Department witnesses was, "Did you consult with exporters on your May 28 ruling which stopped bartering?"

Their answer was "No."

Another question I asked of the witnesses of the Department of Agriculture was, "Do you have an Advisory Committee on Exporting under the barter provisions of Public Law 480?"

The answer was "No."

A third question was, "Did you, prior to the time of the May 28, 1957, order, notify the companies and the concerns which had been traditionally engaged in barter of the pending action? Did you seek their advice and counsel?"

The answer was "No."

One of the largest companies in the United States is the Crofton Grain Co., of New York. Another is the Continental Grain Co. These companies have been doing business for some time.

Another is the Standard Milling Co. A gentleman by the name of Ralph Friedman, chairman of the board of the

Standard Milling Co., of New York, testified before the committee. This is what he had to say:

Mr. FRIEDMAN. When the barter program was first incorporated we had taken a rather dim view of it, that is, to go back to that archaic procedure, but I am here to say that our experience with this—and I am speaking now transcending our own business operation—is that it has been effective means of implementing American exports of surplus products.

I will simplify this:

Perhaps I will oversimplify it, but I think this has validity.

In order to establish and maintain exports of American agriculture in competition to the severe threat of other grain exporting and agricultural exporting countries, I think it is obvious that you have to make this of interest to people to go out and sell it.

When we as a firm, or the other gentleman here representing grain firms, enter into a barter contract we take on an obligation to dispose of commodities.

And this obligation is one that we cannot walk out on at all. We go to work on it. And we export it. So it is not a simple or an easy thing to do.

The only way in our experience that this can be done, it seems to me, is to make it a responsibility, as the barter program does, of responsible grain firms.

I want the RECORD to show that these are the same grain firms which sell for cash. They are not ready to cut their own throats. The record reveals that they make a great deal less profit on barter than they do on cash sales. Three of the companies offered their accounts and financial reports to the committee. They testified that they made 1.5 percent on barter transactions. The representatives of grain companies testified that the profit on barter transactions was substantially less than on normal cash sales. But they said that barter transactions were a part of their total business operations.

Continuing, Mr. Friedman said:

I want to say so far as my own company is concerned that we are heavily involved in many aspects of the grain storage, and milling industry, et cetera.

I feel that there is a degree of impartiality in what I say, because our interests are both in storage in this country as well as in trading and export from the United States.

Senator HUMPHREY. You do cash sales on an export basis?

Mr. FRIEDMAN. Yes. We are in all aspects of this thing.

Senator HUMPHREY. It is very important that we get this down from the witnesses because the main argument against barter by the Department is the interference with cash sales.

Mr. FRIEDMAN. We are very much involved in the cash-sale business. Also, I would say that we are large storers of Government-owned commodities in this country.

If I may speak and put out some thoughts of my own. I don't want to pontificate about this but I want to come to the point. It seems to me that the United States is undertaking really enormous and often conflicting responsibility. And one of the areas of our problem is to dispose in as orderly a fashion as we can without violating the norms of procedure of other nations this growing surplus which constantly replenishes itself.

Mr. President, at this point I will yield to the majority leader, with the understanding that I do not lose the floor. Following the statement by the majority leader I shall return to the

testimony of Mr. Friedman and the testimony of other witnesses, which I believe should be answered by the critics of the barter program before we vote on the amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, today the majority policy committee met and cleared for Senate action Order No. 706, S. 1356, to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts by certain persons engaged in commerce in meat and meat products, and for other purposes.

We expect to move to consider that bill following the conclusion of the debate on the pending bill.

We also plan to take up by motion Order No. 727, S. 72, to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes.

That bill was introduced by the Senator from Kansas [Mr. CARLSON]. I am informed that the Senator from Kansas will offer an amendment to the bill.

I do not mean that those bills will necessarily be taken up in the order I have stated. However, I should like to have it understood that we plan to consider them this week, if possible, as well as the Treasury-Post Office Departments appropriation bill.

I now turn to another subject.

The PRESIDING OFFICER. The Senator from Texas has the floor.

STATEMENT BY THE DEMOCRATIC POLICY COMMITTEE ON ACTIONS TO ASSURE A HEALTHY ECONOMIC RECOVERY

Mr. JOHNSON of Texas. Mr. President, the Democratic policy committee met today and approved the following statement:

The President has stated that his administration is ready to take any action that would lead to a healthy economic recovery in this country. He also said that he will send his plans to the Congress as soon as they are ready.

This is welcome news to the American people, including 5,200,000 unemployed men and women whose need for help is acute. His plans, of course, when they reach us, will be expeditiously considered in the same nonpartisan spirit with which Congress has been acting already.

The steps which have been taken in the Senate thus far have been virtually unanimous.

I interpolate as my own statement that the same situation is true in the House of Representatives. I am informed that the housing bill was passed unanimously by the House and has been sent to the White House today, and that the resolutions accelerating civil works and military construction were also adopted unanimously.

Both Democrats and Republicans suffer when times are hard and both Democrats and Republicans in the Senate have approved the measures which we hope will bring some relief.

The housing bill was approved by a vote of 86 to 0. The two resolutions urging acceleration of public works were approved by votes of 93 to 1 and 76 to 1. The Senate Public Works Committee has approved by unanimous vote the substance of an accelerated highway program, with the only division referring to an issue that does not directly affect its job-producing potentialities.

We confidently expect that other measures will receive the same nonpartisan treatment. We think that the President is correct when he opposes panic. We also believe that members of both parties in the Senate who have voted with such a high degree of unanimity are equally determined to prevent panic—especially panic of the type that came in 1929.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. HUMPHREY. Mr. President, I was reading from the hearings on the Policies and Operations Under Public Law 480, in the 1st session of the 85th Congress, and for the information of my colleagues who may be interested, I was reading from page 338, from the testimony of Mr. Ralph Friedman, chairman of the board, Standard Milling Co., New York, N. Y.

Mr. Friedman states:

If I may speak and put out some thoughts of my own. I don't want to pontificate about this but I want to come to the point. It seems to me that the United States is undertaking really enormous and often conflicting responsibility. And one of the areas of our problem is to dispose in as orderly a fashion as we can without violating the norms of procedure of other nations this growing surplus which constantly replenishes itself.

If the United States were to institute a policy of dumping which would provide many headaches, that would transcend the question of just what balance-sheet profit or revenue you might have, or the Agriculture Department will have on the total operation of price supports here and for commodity storage.

What Mr. Friedman is saying is that the dumping procedure is a matter of high significance to our foreign policy and transcends any profit statement.

Then Mr. Friedman proceeds to say:

I think that the barter program, which as I say I started out by having great skepticism about, I think has been effective. I think it continues to be an orderly procedure for moving commodities in very sizable quantities.

I would say one further thing, that is that as far as our company is concerned, we would be glad to make available the amount of earnings out of barter. They are very modest by any standard—a very modest percentage of the total involvement of the risk.

I will tell you, also, one thing on behalf of the so-called free interest ride. This is a form of payment for service. I don't want to confuse the issue. This is where you make some money. It has merit from the standpoint of the United States Government, it seems to me. That is that it puts a pressure on the exporter to get moving and to do something. And to really do the job.

We have that pressure. While I like to think we have a very efficient organization there are a lot of things that can happen.

That is the sum and substance of what I want to say.

Then his testimony is concluded by the statement:

We are going to have the Department of Agriculture here on this barter program.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. As the Senator says, barter is as old as commerce. Generally speaking, I believe Public Law 480 has done a remarkably good and thorough job. I should like to ask the Senator some questions relative to the amendment under discussion. First, can the Senator state how much lead has been brought into this country under the Public Law 480 program?

Mr. HUMPHREY. One hundred and thirty thousand short tons.

Mr. MANSFIELD. Short tons?

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. A short ton weighs 2,000 pounds. How much zinc has been imported?

Mr. HUMPHREY. Two hundred and fifty-four thousand tons. That is actually delivered.

Mr. MANSFIELD. Two hundred and fifty-four thousand tons?

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. How much manganese?

Mr. HUMPHREY. Manganese ore, battery grade—there are several different grades, as the Senator knows.

Mr. MANSFIELD. Yes.

Mr. HUMPHREY. Manganese metal, none delivered. Manganese, electrolytic, 2,000 long tons. Then there is the battery grade.

Mr. MANSFIELD. Yes; the black.

Mr. HUMPHREY. The figure for that is 10,000 long tons.

Mr. MANSFIELD. Ten thousand long tons?

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. How much tungsten has been brought into this country under the program?

Mr. HUMPHREY. No tungsten.

Mr. MANSFIELD. No tungsten?

Mr. HUMPHREY. No.

Mr. MANSFIELD. How much copper?

Mr. HUMPHREY. There is none in the supplemental stockpile, but there is some in the strategic stockpile. I do not believe any has been brought in. No, the figures I have indicate none has been imported under this program.

Mr. MANSFIELD. The Senator knows that the 5 metals I have mentioned are very important in the economy of the State of Montana.

Mr. HUMPHREY. Yes, indeed.

Mr. MANSFIELD. As is, of course, the disposal of surplus wheat.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. The Senator realizes that, insofar as manganese is concerned, we produce about 10 percent of the total needs of our country, and that of that 10 percent 90 percent is produced in the Butte-Philipsburg district in the State of Montana.

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. I believe the figures for tungsten indicate about the same sit-

uation that applies to manganese. Ten percent of our national needs have been produced in this country, with a goodly portion of that being produced in the State of Montana. At the present time our tungsten mines and mills are shut down.

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. Our manganese mines and manganese plants in the Butte area will very likely be shut down sometime in May unless the Government takes action along the lines urged in the bill introduced by the distinguished senior Senator from Montana [Mr. MURRAY] and myself on Monday of this week. So far as lead and zinc are concerned, we have these metals running out of our ears, at a very depressed price.

Mr. HUMPHREY. The Senator is referring to lead and zinc?

Mr. MANSFIELD. Yes; lead and zinc.

Mr. HUMPHREY. I am happy the Senator has referred to this subject.

Mr. MANSFIELD. We have been trying to get some relief from the Tariff Commission since last September. I do not know why a decision has not been announced. We have communicated with the White House but have received no encouragement. We have received promises, which are about as vague in their meaning as they can be. Meanwhile, lead and zinc mines are closing down. Many of them are filling up with water, and the timbers are caving in. It will be a difficult task to get the mines open again.

Approximately 275,000 tons of copper are in surplus at present. It is my understanding that these metals—I understand copper is not among them, but the other four are—

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. Were being obtained under barter, and were brought in to be kept for the stockpile. But with the decline of the barter agreement, the metals have continued to come in, and they have come in such quantities that the price has been depressed.

Mr. HUMPHREY. They came in under what might be called the free market operations, which depressed domestic prices.

Mr. MANSFIELD. Nothing was paid in the nature of a tariff.

Mr. HUMPHREY. No tariff was paid. The Senator is correct. We have some information about that. Last July, Mr. Shannon, Under Secretary of the Interior, testified before the Committee on Agriculture and Forestry. He said:

Similarly, the market effect of the Government's withdrawal from barter in any commodity is probably dependent upon such circumstances as the manner of the withdrawal, the quantity of the material the Government had been taking and the general condition of the market.

In the case of lead and zinc, the facts are that the entry of the CCC into barter in the middle of 1956 was not accompanied by a United States price increase. However, suspension of the barter program at the end of April was followed a few days later by a price decline which has brought zinc from 13½ cents to 10 cents and lead from 16 cents to 14 cents. Since the middle of 1956, the CCC has negotiated for \$72 million in zinc and \$40 million in lead. For purposes of comparison, it may be pointed out that the

zinc contracts were equivalent to about half the value of domestic zinc smelted in 1956 and about 35 percent of the value of domestic lead smelted and refined.

The metal trade seems to have concluded that the immediate cause of the decline in price following the suspension of barter was the suspension.

The Wall Street Journal of June 5 summarized the situation in these terms:

"Demand for zinc in the United States has been sharply reduced for the past several months by the three major users: The steel galvanizing industry, which uses the metal as a protective coating on steel products; die casters who supply the automobile industry; and the brass mill which manufactures brass and other copper-zinc alloys.

"The break in zinc's price, industry men say, stems from the lack of any immediate prospects of important Government help, either from the new revised barter deal program of the Agriculture Department, or as from Administration's new long-range mineral-aid program.

"Barter, which involves the exchange of United States Government-owned surplus agricultural products for foreign zinc and lead, had been the major price prop for both metals since the latter half of 1956 and up to April 30, 1957, when such transactions were suspended. Last week, the Agriculture Department resumed barter deals, but industry men say they are so wrapped with restrictive conditions, it is almost impossible to arrange transactions. The acquisition of foreign zinc and lead had resulted in removing substantial surpluses of the metals from world market previously."

If barter is to be resumed on any substantial scale for metals and minerals over the long run, the Department feels that first priority should be given to procurement to meet mobilization objectives.

The evidence speaks for itself.

Mr. MANSFIELD. I noticed in the course of the testimony which the Senator from Minnesota quoted that it was stated the surplus was removed from the world market.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. But the stockpiling of it here increased the surplus in the domestic market. I would not be able to prove it, but I feel certain the Senator from Minnesota has information at his disposal to show that very likely Public Law 480 surpluses may have entered into relations, mining-wise, with other countries, for example, Mexico, and Peru, and that the United States received zinc in return for surplus commodities. Is that correct?

Mr. HUMPHREY. I am not sure how much bartering we have done with those countries, but some arrangements were made with Peru under Public Law 480. I do not know about Mexico.

Mr. MANSFIELD. I selected those two countries because they, together with Canada, constitute from their point of view, the major exporters, of lead and zinc to the United States. Does the Senator from Minnesota have any idea of the present size of the stockpiles of lead, zinc, tungsten, and manganese in the United States?

Mr. HUMPHREY. The information may be available, but I only know how much of the metals are in the supplemental stockpile, obtained under the provisions of Public Law 480.

Mr. MANSFIELD. Is that the Public Law 480 stockpile?

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. Do the figures contain the strategic materials which are stockpiled with other materials?

Mr. HUMPHREY. No; there is one division which is called strategic and critical; the other is called supplemental. I shall try to obtain the exact figures for the Senator.

Mr. MANSFIELD. For the 4 months covered, has the Senator any idea of the sizes of the strategic stockpiles of lead, zinc, tungsten, and manganese, and also copper?

Mr. HUMPHREY. I will get the information for the Senator this afternoon if it is possible. It may be in the hearings. In the meantime, there are staff members with us who can ascertain the information. What the Senator wants is the total amount in both the supplemental and the strategic stockpiles—both piles.

Mr. MANSFIELD. The amounts of the five metals. If there are any others, I shall be pleased to have that information, too, because it will be interesting reading.

Mr. HUMPHREY. I am informed that part of the information desired by the Senator from Montana, relating to the strategic stockpile, is classified information.

The bill before the Senate is a little different from Public Law 480, because it provides for the blending of domestic ores with foreign ores in the processed material which the Department of Agriculture would acquire under barter arrangements.

Mr. MANSFIELD. That raises another question. The senior Senator from Montana [Mr. MURRAY] and I and our two colleagues in the House, Representative METCALF and Representative ANDERSON, on last Monday introduced bills to benefit manganese, so that the low-grade ore which is on hand at the manganese plant in Butte, Mont., can be improved in grade and thereby become of some value, something which it does not have at present. About 6 million units of such are stockpiled there.

The Senator from Minnesota now says that in the extension of Public Law 480 foreign ores will be brought in for the purpose of beneficiation of low-grade ores in this country. Where will that leave us, when we seek to do the same thing with our domestic ores which are lying idle? Unemployment is increasing in Butte. At the present time it is 63 percent higher than it was last January, and is increasing.

Mr. HUMPHREY. I have been very sympathetic with the Senator in his problem. It is not a problem which affects Montana only. A grave problem of unemployment exists in the iron ore producing section of Minnesota.

Mr. MANSFIELD. That is true.

Mr. HUMPHREY. Under the present law, Public Law 480, barter could be designed to bring in foreign ores, but not ores to be blended with domestic ores.

Mr. MANSFIELD. That is correct.

Mr. HUMPHREY. It seems to me it would be desirable for the Senator from Montana to have the producers of his

State use domestic ores, rather than the foreign ores which are coming in, to take over the market.

Mr. MANSFIELD. As I understand, the metals which come from overseas under Public Law 480 go into the stockpile.

Mr. HUMPHREY. That is correct; and under the provisions to which the Senator from Minnesota is addressing himself, not only will the foreign ores which are processed go into the stockpile, but some of the domestic ores will also. So it has a tendency to do two things: first, to firm up world prices, which affect domestic prices; second, to utilize some of the domestic ores.

By specifically permitting domestic processing of ores, by means of this barter arrangement we have an opportunity to utilize low-grade domestic ores which are not being utilized at the present time. At best they are being stockpiled occasionally, but most of the time they simply are not being used.

As I have said, at one time the Department of Agriculture permitted the domestic processing of foreign ores. But it does not permit that any longer—not under present arrangements.

Since the processors always are purchasing high-grade ores for their own inventories, such importation of high-grade ores as could be done under a Public Law 480 barter agreement would not change the inventory arrangements; it would simply permit the use of some of the domestic ores for the stockpiling.

Mr. MANSFIELD. But who would purchase the imported ores for fabrication purposes?

Mr. HUMPHREY. Does the Senator from Montana mean the low-grade ores?

Mr. MANSFIELD. No, I mean the manganese and tungsten ores regardless of grade.

Mr. HUMPHREY. They would be purchased by the same people who have been purchasing them right along.

Two kinds of purchases are involved, private and public. One category is made up of purchases by the Department of Agriculture, under barter arrangements, in the case of materials which go into the strategic stockpile or remain an asset of the Commodity Credit Corporation, not of the private manufacturer or purchaser.

Mr. MANSFIELD. Do brokers enter into transactions of this kind?

Mr. HUMPHREY. Yes. What generally happens is that a firm begins the transaction, and frequently a broker is involved.

Mr. MANSFIELD. So they can manipulate a little here or a little there; and that would affect the domestic price; would it not?

Mr. HUMPHREY. I suppose that could be done. But the record shows quite clearly that in the case of lead and zinc, when bartering was done for lead and zinc, there were better prices.

Mr. MANSFIELD. Better prices for lead and zinc?

Mr. HUMPHREY. Yes. When there was no barter, there were lower prices.

Mr. MANSFIELD. Yes; because the materials kept coming into the United States and going into the open market, rather than into the stockpile.

Mr. HUMPHREY. Yes. That is why I say that in the case of manganese or ferromanganese ores or other metals involved in this case, the same arrangements can apply. When they are bartered for, that firms up the domestic price. When they are not bartered for, there is a lower world price, which hurts the domestic market.

I have received telegrams from persons who are involved in this matter. They are concerned from the point of view of making money or losing money, rather than merely making an argument.

Mr. AIKEN. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from Minnesota yield to the Senator from Vermont?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Is it not true that some of the materials which formerly came in and were put into the stockpile, have been removed from the strategic list and cannot now be bartered for?

Mr. HUMPHREY. But they can be; that is why we amended the 1956 act.

Mr. AIKEN. But has there not been a termination of bartering arrangements for certain materials which were formerly used for stockpiling?

Mr. HUMPHREY. That is correct.

Mr. AIKEN. And would not the Senator's proposal in this bill make it possible for such materials to continue to be bartered for and brought into the United States, even if they were not stockpiled? Is it not true that they are to be held by the Commodity Credit Corporation, if a stockpile will not take them? Is it not also true that Government agencies which wish to use such materials are required to purchase them from the Commodity Credit Corporation's stockpile, to the exclusion of purchasing them in the normal channels of trade in this country?

Mr. HUMPHREY. That is exactly the case under the existing provisions of law. In the case of overseas transactions and offshore procurement, the provisions of the bill are exactly the same as those of the original Public Law 480.

Mr. AIKEN. No; under Public Law 480 they are not permitted to barter for them and bring them into the country, unless they are needed for stockpile purposes.

Mr. HUMPHREY. But once they get them in—

Mr. AIKEN. Once they come into the country, they depress the market.

Mr. HUMPHREY. No, because they are sealed off in the strategic stockpile and in the supplementary stockpile.

Mr. MANSFIELD. When they are in the stockpile, they do not depress the market.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. Once the barter arrangement for the stockpile comes into being, the materials are not thrown onto the open market.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. But in the case of lead and zinc, when they were not being purchased by the Government for stockpile purposes, the prices in the market were depressed.

Mr. HUMPHREY. That is correct. Certain amounts of lead, zinc, and manganese will be sold, and certain amounts will be needed. When the Government steps in, through barter arrangements, to acquire some of the production and to put it into the stockpile, that has a tendency to firm up the prices across the market. When the Government no longer purchases such materials, for stockpile purposes, and no longer purchases them for the Government's needs, that has a tendency to leave the production in the market and to depress the prices. The matter is just that simple.

I have received a copy of a telegram which was sent to one of our colleagues by the Pittsburgh Metallurgical Co. I notice that several Senators received copies of it. The telegram reads as follows:

The Senate Agricultural Committee has reported a bill (S. 3240) which includes amendments to the "Barter Act" of a directive nature, to request the restoration of the program of exchanging surplus perishable agricultural commodities for durable materials which are required in our economy, such as ferrochrome and ferromanganese alloys, which can be stored cheaply and do not deteriorate. The program is of utmost importance to the ferroalloy industry because at present we are operating less than 50 percent capacity, resulting in serious unemployment, and indications are that additional cutbacks will be required. We have metallurgical plants at Calvert City, Ky.; Niagara Falls, N. Y.; and Charleston, S. C.

We urgently need your support on the bill, S. 3240, which, if enacted into law, and ferroalloys included, as in the past, would substantially help the unemployment situation, not only for Pittsburgh Metallurgical Co., but for the ferroalloy industry as a whole. Also, other industries who furnish raw materials and equipment would benefit greatly from increased employment.

We understand the Agriculture Department is opposing the bill (S. 3240), and, therefore, respectfully appeal to you for support on this bill, which has been reported by Senator ELLENDER. I am sure it would be most helpful if you would call Senator ELLENDER on this matter, upon receipt of this telegram.

The telegram is signed by Charles F. Colbert, Jr., chairman of the board and president of the Pittsburgh Metallurgical Co., of Niagara Falls, N. Y. That company is a domestic processor. I notice that one of the company's plants is in Calvert City, Ky.

Mr. AIKEN. What kind of metals does it use?

Mr. HUMPHREY. Ferroalloys—ferromanganese, for instance.

Mr. CASE of South Dakota. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. CASE of South Dakota. First, let me say that, on general principles, I favor the barter provisions of the bill.

However, I believe that in bartering there should be provided safeguards which will insure that we shall not be transferring the depression which agricultural-commodity prices suffer by reason of a large stockpile or surplus, over to the minerals field. We will not gain anything simply by converting the

agricultural commodities surplus into a surplus of minerals, and then have the mining industry depressed thereby.

Mr. HUMPHREY. Let me say most respectfully that I am fully cognizant of this matter. I have checked on it with the Department of Agriculture. I have had members of my office staff look into it. The one point upon which everyone seems to agree—everyone except some Members of the Senate who disagree, because of some kind of confusion—is that the measure we have advocated will strengthen the metals market.

Mr. CASE of South Dakota. Let me point out the language of the bill which I believe modifies what the Senator from Minnesota has said.

Mr. HUMPHREY. Very well.

Mr. CASE of South Dakota. I thoroughly agree with the idea that if an agricultural commodity which deteriorates after a certain period of storage can be converted into a mineral which can be stored for a long time at less cost and with little or no deterioration, that is a good trade, and is in our interest, and presumably is in the interest of the peoples or countries which have a surplus of minerals and a shortage of food.

But the language which I believe causes the difficulty is to be found on page 4, in lines 10 to 13. That language is the latter part of the sentence which begins in line 8.

The sentence beginning in line 8 reads as follows:

Materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing such materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

Mr. HUMPHREY. That refers to the Defense Department, the AEC, the Office of Defense Mobilization, and to the General Services Administration and to the other agencies responsible for stockpiling. This same language is contained in the present act. In other words, other departments of the Government require metals for stockpiling purposes; and this language means that the metals shall be purchased by such other agencies of the Government, rather than to leave the matter entirely to the Department of Agriculture.

Mr. CASE of South Dakota. I see nothing in the language which would limit it to stockpiling.

Mr. HUMPHREY. Let me say that I have just been reaffirmed by counsel that the same language is contained in the existing law.

Mr. CASE of South Dakota. I realize that, and I think that is one of the reasons why a part of the mining industry of the United States today is depressed. I believe that when a stockpile or reserve of minerals is created and when governmental agencies are permitted to obtain their requirements from the minerals in the stockpile, regardless of the domestic supply situation, the result is to say to those agencies, "You are to obtain the Government's requirements from the stockpile before you purchase them from the normal production." I have always

believed that a reserve stockpile should have a padlock, and should be opened and used only in times of emergency.

Mr. HUMPHREY. That is the case now. The Senator from South Dakota ought to know that, and he does know it.

Mr. CASE of South Dakota. The Senator from South Dakota knows the regular stockpile of Government does have restrictions on it. The Senator from South Dakota knows further that if the agencies of Government which have current requirements are permitted to go to that stockpile and take materials from it, rather than—

Mr. HUMPHREY. If I may interrupt the Senator, I point out that Public Law 590 of the 79th Congress, section 104 (b), requires that materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Stockpile Act. It literally requires an act of Congress to change it.

Mr. AIKEN. That is subject to change.

Mr. HUMPHREY. If we are going to deny a representative form of government the right to change the law, I suppose there will always be a danger of such material being released. I am saying to the Senator the purpose of the language has been underscored in the present practice. What is the present practice? When the Commodity Credit Corporation acquires lead, zinc, fluor spar, or whatever the material may be, which it does not want to hold itself, there is in effect a directive that other agencies of Government shall take off the hands of the Commodity Credit Corporation some of the material which would go into the stockpile of strategic and critical materials. We amended the Agricultural Act of 1956 so that strategic and critical materials would go into the strategic and critical stockpile, and other materials would go into the supplemental stockpile.

Mr. CASE of South Dakota. In our experience with wool, when we had a supply of wool, we found the stockpile of wool was constantly operating as a threat to the then current wool market. The wool stockpile was liquidated during the latter part of last year. I think wool is now on the open market.

Mr. HUMPHREY. Yes.

Mr. CASE of South Dakota. But there was always an area of doubt and a difference of opinion between the producers of wool and those administering the wool stockpile in the Department of Agriculture with respect to how much should be released to the market at any one time. Wool is midway, so to speak, between wheat and hard metals. Wool can be stored for a period of time, certainly longer than some of the grains can. Still, replenishment of the wool or the revolving of the material in the stockpile is one of the things which had to be kept in mind with regard to the problem of storage over a long period of time. That area of difference of opinion has always been a disturbing thing to some of the wool producers.

I should like to see a provision written into the law that in administering the stockpile or stocks acquired by the Commodity Credit Corporation through bar-

ter provision, those materials would not be released, the padlock would not be unlocked, the stockpile would not be opened up in normal times, unless there was a short supply.

I think the idea behind having a strategic stockpile is to enable the country to have a supply of such material in times of emergency and in times of shortage.

Mr. HUMPHREY. What is before us goes beyond strategic materials. The record should be clear we are talking about not only strategic materials, but we are talking about strategic, critical, and other materials.

Mr. CASE of South Dakota. Perhaps the point is even stronger when we consider the nonstrategic materials.

Mr. HUMPHREY. I think such a point could be made. I say, with equal candor, we have no right to depress American agriculture.

Mr. CASE of South Dakota. We certainly do not want to depress American agriculture, but we do not want to transfer a depressing of agriculture to a depressing of minerals.

Mr. HUMPHREY. Of course not. If there was half the concern over the preservation of subsidies and holding up the market for corn and wheat as there was over being able to lock up materials in stockpiles, agricultural prices would be better. I have not heard a speech in weeks about the dumping of corn by the Commodity Credit Corporation, but if a little lead or zinc is dumped, supposedly that is bad. I think it is if it is supposed to be in the stockpile. I say to the Senator, insofar as strategic and critical materials in the strategic stockpile are concerned, it takes an act of Congress to release them. Here is the law, and the language reads—

Mr. CASE of South Dakota. We are dealing with the bill which is before us, and I should like to have the Senator's interpretation as a part of the legislative history of the bill.

Mr. HUMPHREY. Since the Senator from Minnesota has the floor and is yielding, let me say that Public Law 590, of the 79th Congress, provided that no material constituting a part of the stockpiles may be disposed of without the express approval of Congress, except where the revised determination is by reason of obsolescence of such material in time of war.

The law has been amended by what we call the National Stockpiling Act and by the Supplemental Stockpile Act, and the law locks up the material. Whatever goes into the stockpiles is locked up.

I see no danger of the stockpile act weakening the market. At this time the Commodity Credit Corporation has materials to the tune of \$55 million more than was invested in them. That is much better than what happened with respect to cotton, corn, wheat, and a few other commodities.

Mr. CASE of South Dakota. I could not agree more with any proposition than that stated in the last sentence of the Senator. It is much better to have \$55 million more of storable, nonperishable minerals, or metals, or whatever they may be, than to have perishable

agricultural commodities of that value. What I want to do is see that the language is made as airtight as possible, in order to protect the natural, normal producers' market from being injured by the acquisition of similar goods and their distribution or placement upon the market, except in times of deficit or national emergency.

I should like to ask the Senator a question, because I think his opinion as to the interpretation of the pending bill will be important in the administration of the law or in any court interpretation of it.

Does the language which reads: "other agencies of the Government, in purchasing such materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements" require purchasers of stockpile materials or the Government agencies that have need for such materials, but which do not administer the stockpile, to buy the materials from the Commodity Credit Corporation, rather than buy them in the open market?

Mr. HUMPHREY. My answer is as follows: Since the provision is identical with the provision which is presently in law, the arrangements which now prevail relating to the purchase of commodities by other agencies of Government would continue.

What are those arrangements? Presently, strategic and critical materials and materials eligible for the stockpiles go into the stockpiles.

Mr. CASE of South Dakota. And no others?

Mr. HUMPHREY. Those items which are available for the stockpiles go into them. There are some others.

Mr. CASE of South Dakota. Let us assume that the Signal Corps needs some crystals, or some other material which goes into electronic equipment, and wants to buy such material. Under the language of the amendment would the Signal Corps be required to buy that material from the Commodity Credit Corporation, rather than to buy it on the open market?

Mr. HUMPHREY. In my judgment, it would be required to do so. However, the Secretary might engage in barter for a particular purpose for our Government, as he did, for example, in an instance for ICA.

I have some information which was given to our committee. The United States Department of Agriculture purchased in 1953, 1954, 1955, 1956, and 1957, certain items for certain agencies of Government under barter arrangements.

For the Atomic Energy Commission the Department of Agriculture obtained some thorium nitrate, \$8.8 million worth. It obtained some zirconium sponge, worth \$4½ million. For the Department of Defense it obtained \$4.1 million worth of boron material in 1956. For ICA in 1954 the Department obtained some \$200,000 worth of blankets. The Department once obtained some fertilizer worth about \$200,000. It also obtained some raw silk worth \$1.4 million.

These items were obtained under barter arrangements.

I say to my friend, the Senator from South Dakota, we must depend upon the Secretary of Agriculture, as we say in the report, to use good, prudent judgment. I would not care to assume that the Secretary would flood the American market. He would be doing these things when it was to our advantage, rather than when it was to our disadvantage.

Mr. CASE of South Dakota. Certainly if the Secretary uses the barter provision for the purpose of getting wool blankets abroad, or cotton yarn, or some of the minerals which have been mentioned, it would seem to me that should be done only when there is an emergency situation which brings about a shortage.

Mr. HUMPHREY. I imagine that is what happened.

Mr. CASE of South Dakota. I can see that during a period of war the Secretary might purchase wool abroad.

Mr. HUMPHREY. Yes.

Mr. CASE of South Dakota. He might then purchase wool blankets abroad.

Mr. HUMPHREY. Yes.

Mr. CASE of South Dakota. Or even cotton yarn. He might have to go abroad for such materials in wartime; but normally it would seem to me those items should be supplied by the domestic market.

Mr. HUMPHREY. I could not agree with the Senator more completely.

Mr. CASE of South Dakota. The same thing would be true in normal times with respect to any minerals available on the domestic market.

Mr. HUMPHREY. The Senator is absolutely correct. I thoroughly concur.

As a matter of fact, I have been trying rather consistently to draft phraseology which would even more pinpoint what the Senator has in mind. I went to the Reciprocal Trade Act this morning, to see if I could not find language which would protect the American domestic market situation along the lines of what we find in the peril-point provisions as to reciprocal trade.

Mr. CASE of South Dakota. Mr. President, if the Senator will yield further, the able Senator from Florida [Mr. HOLLAND] has invited my attention to a change in language between what appears in the sentence I have read in the bill pending and the existing law. I was under the impression, from what the able Senator from Minnesota said, that the language was identical.

Mr. HUMPHREY. That is correct. That is what I said.

Mr. CASE of South Dakota. The change, however, comes in the substitution of the plain word "materials" for the words "strategic materials" in the present law.

Mr. HUMPHREY. I may say most respectfully to the Senator that the Agricultural Act of 1956 makes possible transactions for both strategic materials and other materials. I knew that the point would come up again, since we had the discussion last evening, so I should like to invite the Senator's attention to all the barter authority for any kind of materials we ever want, under the Commodity Credit Corporation charter.

I have in my hands the budget of the United States Government for the fiscal year ending June 30, 1959. Some of the material relates to the Commodity Credit Corporation. I shall soon refer to the statute. In the budget, under the commodity export program—and I ask for the Senator's attention—it is stated that—

The Corporation promotes the export of agricultural commodities and products through sales, barter, payments, and other operations. Such commodities and products may be those held in private trade channels as well as those in Commodity Credit Corporation's inventory. This program is carried out under the authority contained in the Corporation's charter, particularly sections 5 (d) and 5 (f), and in accordance with specific statutes where applicable, such as sections 407 and 416 of the Agricultural Act of 1949—

And so forth. What is the authority for barter under the charter of the Corporation? I have in my hand the Commodity Credit Corporation Charter Act, on page 145 of the Compilation of Statutes Relating to Agricultural Law, as of January 1, 1957. Subsections (d) and (f) in the Commodity Credit Corporation Charter Act, under which the Commodity Credit Corporation can use barter to accomplish this purpose, states:

Remove or dispose of or aid in the removal or disposition of surplus agricultural commodities.

And:

Export or cause to be exported, or aid in the development of foreign markets for agricultural commodities.

In other words, the Commodity Credit Corporation has the authority under its charter to export under barter, and the limitation of "strategic" and of "critical" is not in its charter.

Mr. CASE of South Dakota. That is on the export side. What about the import side?

Mr. HUMPHREY. When one barter, one has to import.

Mr. CASE of South Dakota. Certainly.

Mr. HUMPHREY. One exports something out and imports something in. That is what is meant by barter.

All I am saying is that Public Law 480, which was enacted later, provides for barter of agricultural commodities for strategic materials but does not limit the authority of the Commodity Credit Corporation to acquire by barter other materials. That is why the Agricultural Act of 1956, at the request of the Department of Agriculture and at the insistence of the members of the Senate Committee on Agriculture and Forestry, provided that in the stockpiles we will not merely have strategic items, but other materials.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. If the Commodity Credit Corporation charter is that broad—and it would necessarily be very broad—and if the authority is already available, why have we been wasting time all of these years enacting implementing legislation?

Why does the Senator from Minnesota think additional legislation is needed

now, except that his proposed legislation directs the—

Mr. HUMPHREY. It is not my legislation. It is committee legislation. Let us make that clear.

Mr. AIKEN. I do not know whose legislation it is.

Mr. HUMPHREY. The committee approved the legislation.

Mr. AIKEN. If such a provision is not necessary in order to change the status quo, why do we have it under consideration? If all this power is included in the Commodity Credit Corporation charter, why is the legislation necessary?

Mr. HUMPHREY. I can tell the Senator why.

Mr. AIKEN. We have been implementing that charter for quite a while.

Mr. HUMPHREY. We have, indeed. All the Senator from Minnesota is saying is that the Commodity Credit Corporation charter provides for the broadest means of handling these commodities.

Mr. AIKEN. That is true.

Mr. HUMPHREY. One of them is barter. The barter arrangement is not restricted to critical or strategic items.

Second, Members of Congress are presumed to have known this, because in the Agricultural Act of 1956 it was stated that for the purposes of the stockpile there would be a stockpile known as the supplemental stockpile, into which other than strategic materials could go. All the language of the bill before us does is to use the word "materials," which encompasses both strategic and critical materials as well as other materials.

Mr. AIKEN. The Senator does not contend, does he, that the Commodity Credit Corporation could barter for pulpwood, cement, paper, coffee, rubber, or petroleum, without additional legislation?

Mr. HUMPHREY. I certainly do.

Mr. AIKEN. What, then, is the purpose of the language in the bill for which the Senator is responsible, to require the Commodity Credit Corporation—

Mr. HUMPHREY. The reason for this bill—and we will not allow anyone to becloud the issue—is that there was plenty of authority for barter, but the Department of Agriculture refused to act. Public Law 480 granted all the authority the Government needed to barter almost \$1 billion worth of goods.

Mr. AIKEN. It still has such authority.

Mr. HUMPHREY. It still has such authority. The reason for the language in the pending bill is that the Department of Agriculture refuses to act.

What I am saying, quite pointedly, is that we have before us a type of directive to the Secretary, saying to him, "Mr. Secretary, you have authority in the Commodity Credit Corporation; you have authority under Public Law 480. We would like to have you get busy and barter, wherever you can find a commodity which will not deteriorate, and with respect to which you can save on storage, and which would be helpful to our overseas program or our national security. We would like to have you get busy and barter."

In the report we say, "Do it prudently, with good common business sense." We suggest to the Secretary that he follow the kind of advice and counsel he has been receiving from the General Services Administration, the Office of Defense Mobilization, and other agencies of Government which might need something.

For example, consider the Atomic Energy Commission. If we could barter our wheat for Indian thorium, it would be a pretty smart operation. The Indians have thorium, from which can be obtained fissionable material. If we could barter American wheat for the Indian thorium, I suggest that it would be a practical and economical operation.

Who would do the bartering? The Secretary of Agriculture. He has the commodities. He has the responsibility for those commodities under the Commodity Credit Corporation. All we are saying to the Secretary is, "Use the barter authority to dispose of these products, and do it in the most practical way." We ask him to do it with prudence and caution, and with good, sound business sense, protecting the value of the commodities.

What I sense is that some people in Government and out of Government would rather complain about the agricultural surpluses than get rid of them. Some of them would rather talk about the \$1 million a day it costs to store wheat than to sell wheat for platinum. The record is filled with examples showing where good barter arrangements were made available, but the Department of Agriculture turned them down. Why? Because the Department had a limited list, a list of strategic materials. That strategic list was reviewed month after month by the Office of Defense Mobilization.

Furthermore, when the Department could not find a purchaser in the Government, such as the Defense Department or the General Services Administration, it did not barter.

In the meantime, dozens of articles in magazines are reminding farmers of what a wasteful thing the surplus program is.

How many Senators have read newspaper articles about millions of bushels of wheat locked up in old Liberty ships, rotting because of dampness and age?

The very same people who give information with respect to such an operation, and who complain about it, are also sending memorandums to Senators saying, "Do not barter it. We are going to sell it for cash."

They have not sold it for cash. An interesting fact, which no Member of this body can dispute, is that when barter sales go up, so do cash sales. When I finish reading from the testimony, I will have shown that the grain companies which are the largest exporters in America, and which export and sell grain for cash, also support barter.

Who is against it? The Department of Agriculture, which has the responsibility under the law of liquidating the surplus. A mandate was laid down by the Congress. In the act of 1956, we asked the Secretary to present to the

Congress a program for utilizing the surpluses. What was his response? He stopped barter, by means of which we were able to liquidate almost \$1 billion worth of surpluses in 1956.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Does not the Senator know that the Commodity Credit Corporation has sold surplus commodities to the extent permitted by the Congress during the past 3 years?

Mr. HUMPHREY. No; I do not.

Mr. AIKEN. At least in the amount allowed of \$1 billion during the current fiscal year. We also require a couple of hundred million dollars to be used in the mutual security programs.

Mr. HUMPHREY. They have sold surplus commodities, but they have not bartered. There is no limit on barter.

Mr. AIKEN. The Commodity Credit Corporation has used up the sales authority of \$1 billion.

Mr. HUMPHREY. The Senator is absolutely correct. The Commodity Credit Corporation has used up the full authorization under Public Law 480 for sales, but it has refused to barter.

Mr. AIKEN. There is no question that it could barter every surplus commodity we have, if the bartering were done on the terms of the barterers. But I shudder to think what that might do to American industry.

Mr. HUMPHREY. The Secretary is required to barter only if it is to the interest of the United States. The Secretary of Agriculture does not have to barter recklessly. What the Secretary of Agriculture is asked by the Congress to do is to try to barter \$500 million worth a year. He is not required to do it. We say that it would be well if he would do so; and we say that that is the maximum amount we want him to barter.

So I answer the argument of the Senator from Vermont by saying that all the surplus commodities are not to be bartered. The provisions in the law establishes a maximum of \$500 million.

I also note for the record that the Department of Agriculture can and does sell for foreign currencies. I ask my friends which would they rather have—foreign currency from Spain, or a good metal which can be used in American industry or for our national security?

Would they rather have wheat lying in ships and spoiling, so that people can complain about it, or would they rather have certain ferromanganese ores in the stockpile?

Would they rather have lead and zinc in the stockpile? Would they rather have borax? Would they rather have thorium? These are items which can be stockpiled and would not deteriorate. The simple truth is that the Department of Agriculture is unwilling to utilize the tools it has at its command.

I throw down the gauntlet in this Chamber. There is a record of testimony. The representatives of the Department of Agriculture were present to testify under friendly auspices. They

were present and testified as much as they wanted to testify.

The testimony reveals that they had no answer to those who said that barter should be continued. The only answer they had was that in their view it was displacing cash sales, despite the fact that the companies which were doing bartering said that their cash sales were higher, along with the bartering.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. Can the Senator explain to me why the Department of Agriculture suspended the barter program with respect to lead and zinc in 1957?

Mr. HUMPHREY. I think it was because the program was working. I do not wish to be cynical, but the Senator knows what happened to lead and zinc prices when the Department suspended the barter program affecting lead and zinc.

Mr. CARROLL. I intend to go into that question. But is there anything in the record to explain why the Department stopped the barter program? The Under Secretary of the Interior, in his testimony on page 575, completely supports the barter program, and says that the barter program is of tremendous significance to the mining industry.

Mr. HUMPHREY. Despite that fact, in the reception room are four members of the Department of Agriculture staff—and it is their privilege to be there—telling Members of the Senate that the barter program is to the detriment of the mining industry. On the other hand, the Assistant Secretary of the Interior testified before our committee to the effect that barter is to their advantage.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. The Under Secretary of the Interior, to whom the Senator has referred, comes from Colorado, and therefore knows a good deal about the mining problems of the West. In Colorado we also have problems similar to those described by the distinguished junior Senator from Montana [Mr. MANSFIELD], especially with the minerals lead and zinc.

The history of those two minerals—especially since 1954—has been a tragic one. Lead and zinc mining is an industry which is in severe distress.

The problem of the importation of lead and zinc was considered by the United States Tariff Commission in 1954, and it found the industry needed special consideration under the escape clause of the reciprocal-trade program.

That finding was submitted to the President of the United States for his approval. The President rejected the Tariff Commission's recommendations and the industry got no protection.

I note from the record that in 1956, under Public Law 480, the barter provisions were employed and, as a result of trading other materials for lead and zinc, some stability was restored to the lead and zinc industry.

Immediately upon the suspension of the lead-zinc barter program, the price

declined. It has thrown thousands of miners out of work in the West, and has caused a crisis in the lead-and-zinc industry.

Mr. HUMPHREY. The Senator's statement is absolutely correct. I may say that he has as a witness, in corroboration of his testimony, the statement and reports of the Wall Street Journal, as to what happened to the lead and zinc industry once the barter program was curtailed.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. Let us assume that we retain in the bill section 5. It is section 5 which extends the barter program, is it not?

Mr. HUMPHREY. That is correct.

Mr. CARROLL. Is there a mandate in section 5 which compels the Secretary of Agriculture to barter more extensively than he has heretofore?

Mr. HUMPHREY. Yes; there is. The purpose of our amendment is to get the Department of Agriculture off dead center. That is where it is presently with respect to the barter program. The amendment directs the Secretary of Agriculture, insofar as practicable—of course, it gives him leeway, so probably I should say it indicates to the Secretary of Agriculture that Congress would like to see barter used as a part of the total program of disposal of our agricultural commodities.

Mr. CARROLL. Mr. President, will the Senator yield for one more question?

Mr. HUMPHREY. I yield.

Mr. CARROLL. Does this interfere with section 1? In other words, does the Secretary of Agriculture still have complete discretion to dispose of our surplus commodities for foreign currencies?

Mr. HUMPHREY. It should be interpreted to mean, as the tradition and history of the legislation shows, that sales for foreign currencies are on a premium and have priority. No one is saying that the whole emphasis should be on barter. Not at all. In fact, there is a limitation in the measure as to how much can be bartered. It is both a goal and a ceiling. The amount which can be bartered is one-third of the amount which can be sold.

Mr. CARROLL. The goods which are received by virtue of the barter program, if they are strategic and critical materials, would go into the stockpile. Is that correct?

Mr. HUMPHREY. That is correct. It is a choice of whether we want wheat, which will deteriorate, or a commodity which, under the provisions of the bill, must be one which is less susceptible to deterioration and which involves less cost for storage.

Mr. CARROLL. I should like to ask the Senator a question on this point. Are lead and zinc and tungsten and copper—

Mr. HUMPHREY. They go into the stockpiles.

Mr. CARROLL. Is it not the position of the Under Secretary of the Interior, that these materials, once being subject to the barter program, should move into

the stockpile, and in that way give some stability to the domestic price of these materials?

Mr. HUMPHREY. That is the contention of the Under Secretary of the Interior, to whom the Senator from Colorado has referred. I believe it is Mr. Shannon.

Mr. CARROLL. Mr. Shannon testified for Mr. Hatfield Chilson, Under Secretary of the Interior.

Mr. HUMPHREY. I should like to answer the Senator's question more specifically. I have in my hand the current list of strategic and critical materials for stockpiling, issued by the Executive Office of the President, Office of Defense Mobilization. Included in the list are such items as tungsten. The Senator is interested in that.

Mr. CARROLL. Yes; and lead.

Mr. HUMPHREY. Lead.

Mr. CARROLL. Zinc.

Mr. HUMPHREY. Lead, zinc, manganese ore, mica, copper, bismuth, agar, asbestos, cadmium. Even castor oil. There are 70 such items.

Mr. CARROLL. Castor oil is not a mineral.

Mr. HUMPHREY. It is a strategic material.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. As I continue to read the hearings in this matter, I observe that the Wall Street Journal of June 5, 1957, said:

Last week, the Agriculture Department resumed barter deals.

The point is this: They had previously suspended barter deals which, as I have indicated, would have been beneficial to depressed mining areas. By taking this action the Agriculture Department caused great suffering in Colorado and other mining areas of the West, wherever lead, zinc, tungsten, and other important metals are mined.

If the Department of Agriculture has resumed barter negotiations, as the newspaper report indicates, what is the reason for concern and worry about it?

Mr. HUMPHREY. The Senator from Colorado has gone right to the heart of one of the matters which has been discussed. It is true that the Department has published new regulations which indicate a resumption of barter; but those regulations are so restrictive in the criteria which have been set forth as to how bartering can be conducted, what can be bartered, and where bartering can be carried on, that, for all practical purposes, it becomes an exercise in theory rather than reality.

Mr. CARROLL. In other words, it is not the same kind of barter program that was previously in existence?

Mr. HUMPHREY. Not at all. For example, now it is necessary to produce a certificate of additionality. Let me explain what that means. A company that wishes to barter some agricultural commodities for lead must be able to prove to the Department of Agriculture, which it is not even supposed to do in the first place, that the agricultural commodities

will go into a market where there will be no displacement of dollar sales; that it will mean an additional sale of agricultural commodities beyond any possibility of sale for cash.

This suggests that the Secretary of Agriculture has such prophetic vision that he can look ahead for a year and can predict with, we might say, economic binoculars that Germany, for example, or Holland or France will buy X dollars worth of feed grains from the United States. This presupposes, of course, that the Secretary will have control over the weather, because obviously the weather will have something to do with the amount of feed grain which will be needed in any country, because the size of the crops of those countries will be conditioned on the weather.

So what the Department is saying is that anyone who wants to barter, will have to produce a certificate of additionality, as it is called, which will be proof to the Department that whatever is bartered for the commodities used in the barter transaction will be commodities over and beyond any commodities which would be purchased by the country into which the commodities will go. Even Houdini never undertook to perform that kind of magic.

Let me show what has happened to the barter program. I am referring again to the testimony of Mr. Berger, head of the Commodity Credit Corporation. Mr. Berger testified:

About 86 percent of all barter procurement has been for strategic materials.

This means that by means of barter we were able to move out of our agricultural warehouses, according to the testimony, \$844 million worth of agricultural commodities which were converted into strategic materials. More than half of the materials were earmarked for the strategic stockpile. We disposed of \$844 million worth of surplus agricultural commodities, which were subject to deterioration.

Those are the agricultural commodities about which the Reader's Digest writes to scare the people. They are the agricultural commodities which some people said would spoil, such as milk and butter.

Mr. LONG. And potatoes.

Mr. HUMPHREY. That was when they wanted to complain about the agricultural program.

Mr. President, \$844 million worth of surplus products were moved out and traded for lead, zinc, manganese, industrial diamonds, and a host of other commodities which do not deteriorate, the value of which has gone up \$55 million since we obtained them.

The saving on storage alone for the agricultural surplus products is at the rate of \$103 million a year.

Eighty-six percent of all bartering has been for this kind of goods. But the Department of Agriculture says, "We want no more of this." I suppose what they want is to have the surplus agricultural commodities deteriorate, or the butter spoil, or the milk become rancid.

Mr. CARROLL. Does the Department give any specific reason for this?

Mr. HUMPHREY. Oh, yes. The reason is given in the testimony. By the way, Mr. Berger, in his testimony, told how these arrangements were made. He said:

The prospective contractor's offer would set forth the quantity of material involved, the unit price at which the material was being offered, proposed delivery schedules, and related factors. Assuming that the material was one approved for barter acquisition by ODM—

Remember? They even went to the Office of Defense Mobilization to get approval—

we would consult with materials experts of the General Services Administration to determine existing stockpile inventories of the material, whether or not the offering price was at or below the current market price for the material and that barter acquisition would not unduly disturb market prices or otherwise interfere with availability of the material to private industry.

On that basis, \$844 million worth of deals were made. That seems pretty sensible to me. The Department made certain that the market was not disturbed. They made certain that private industry was not being denied. They made certain that the current price was fair. They made certain that the deal was to the benefit of the Government of the United States. That was the testimony of the man who runs the Commodity Credit Corporation.

Mr. Walter C. Berger, the Administrator of the Commodity Stabilization Service, told the Senate committee how his Agency operated the barter system, and apparently he was quite proud of it. He said:

Ordinarily, such a contract would call for material deliveries over a period of up to 2 years—for a few contracts the delivery period was 6 years—and would normally permit the barter contractor to obtain for export during such period any agricultural commodity which CCC was offering for export sale.

In other words, the barterer could come in, look around, see what surplus goods were on the shelf, and pick out \$100 million worth of goods which were accumulating and were in danger of spoilage. He would pay the price which the Commodity Credit Corporation asked. The Commodity Credit Corporation put a tag on the surplus commodities, and it was a price which was profitable to the corporation. The department bartered those agricultural commodities for strategic materials.

Despite that testimony, the Department of Agriculture now says, "We want no more of that. We are stopping it."

The Senator from Colorado asks, "But did they not renew it?" Yes, they renewed it, but they renewed it by putting chains around the arms and legs and binding the body with adhesive tape. They said, "Now if you want to do acrobatic stunts and handsprings, you can try to do so."

I have said a dozen times that I prefer title I sales, but I am sick and tired of hearing the Department of Agriculture complain about surpluses. I am tired of having the Secretary come to

Congress and say that the surpluses last year and the price support operation losses last year cost more than \$3 billion. I am tired of hearing him complain about the amount of surpluses when he has the authority to exchange the surpluses for manganese, for jewel bearings, for industrial diamonds, and for platinum.

I want the Department of Agriculture to send one of its henchmen here. Are they here? They are generally around outside somewhere. I want them to send here someone who will send in to us on a slip of paper the reason why they refuse to take diamonds or platinum for wheat.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. O'MAHONEY. I should like to obtain some information. I am sorry the Senator does not have before him the representatives of the Department of Agriculture, so that they can be cross-examined.

Mr. HUMPHREY. I had them before the committee once, I may say to the Senator from Wyoming.

Mr. O'MAHONEY. But they are not here.

Mr. HUMPHREY. That is correct.

Mr. O'MAHONEY. Those of us who do not have the good fortune to be members of the Committee on Agriculture and Forestry are deprived of the opportunity the Senator from Minnesota enjoys.

Is it possible that the Department of Agriculture has decided that it would not be in the public interest to administer the law which Congress passed and the President signed?

Mr. HUMPHREY. Mr. President, the Senator's insight into these matters is exceeded only by his eloquence and logic. What he has just said had never before dawned on me. But in view of the happenings around this city, it is quite possible that the Department of Agriculture has literally decided not to administer at least a part of the law which the Congress passed and the President signed.

Mr. O'MAHONEY. Is the Senator from Minnesota not aware of the fact that the city of Washington is overflowing with lobbyists, and that for a long period of years, antedating this administration, I am sorry to have to say, the Congress has been delegating away its legislative power to the Executive, and that, as a result, lobbyists seek to obtain positions of influence with the executive departments, in order to obtain interpretations of the laws which were not meant by the Congress or by the President when the laws were passed?

Mr. HUMPHREY. Again I think the Senator from Wyoming is placing his finger directly on one of the developments in the Government. I say most respectfully to him—as I have said again and again in this debate—that the change we are recommending in the bill reported by the committee—

Mr. O'MAHONEY. The Senator from Minnesota is referring to a committee amendment; is he not?

Mr. HUMPHREY. No; I am referring to the committee bill which amends Public Law 480.

Mr. O'MAHONEY. What will that bill do?

Mr. HUMPHREY. The bill will do two things: First, it will extend Public Law 480 for the sale of American surplus agricultural commodities. Second, it will amend the barter section, so the Secretary of Agriculture will be directed, insofar as it is practicable, whenever he can barter an agricultural commodity which will deteriorate, for a commodity which will not deteriorate, and whenever he can barter an agricultural commodity upon which the storage charges are higher than the storage charges on such other materials, and whenever such other materials can be used in terms of our overseas programs in our national security and our national interest, to proceed to do so. In other words, under those circumstances the Secretary of Agriculture will engage in such bartering. Of course, that is what the law provided in the first place.

Mr. O'MAHONEY. Is there any opposition to the provision now suggested?

Mr. HUMPHREY. I have been encountering some.

Mr. O'MAHONEY. Has such opposition been expressed on the floor of the Senate?

Mr. HUMPHREY. Yes; and it has been expressed along the following lines: first, that that would disrupt the markets; second, that it would flood the United States with such materials; third, that it would be bad for our foreign policy.

Mr. O'MAHONEY. Did the State Department take any position on this matter?

Mr. HUMPHREY. The State Department has taken a position as firm as any position taken occasionally by the State Department; it has taken a position as firm as the Rock of Gibraltar. In short, the State Department is opposed to this proposal. The State Department was opposed even to the barter arrangement we previously had.

Mr. O'MAHONEY. Never in the past 5 years have I heard the State Department referred to as resembling the Rock of Gibraltar. Why does the Senator from Minnesota now use that phrase in referring to the State Department?

Mr. HUMPHREY. I used it only when referring to the inflexibility of the State Department in regard to this matter.

Mr. O'MAHONEY. Is the State Department opposed to the amendment which has been agreed to by the committee?

Mr. HUMPHREY. Yes; there is no doubt about it.

Mr. O'MAHONEY. How about the Department of Agriculture?

Mr. HUMPHREY. The Department of Agriculture likewise is opposed.

Mr. O'MAHONEY. So this is a committee recommendation to upset the policy recommended by the Department of Agriculture and the Department of State; is that correct?

Mr. HUMPHREY. Yes.

PROPOSED FEDERAL TRADE COMMISSION JURISDICTION TO PREVENT MONOPOLISTIC ACTS IN MEAT AND MEAT-PRODUCT COMMERCE

Mr. O'MAHONEY. Mr. President, I am grateful to the Senator from Minnesota for his prompt and complete answers to my questions, and I am obliged to him for yielding to me.

Since he has yielded, I wish to take this opportunity to announce that, as I understand the matter, after the pending bill has been disposed of, the next order of business will be Calendar No. 706, Senate bill 1356, a bill which has been reported by the Judiciary Committee. The bill would make the Federal Trade Commission, rather than the Department of Agriculture, the agency having jurisdiction to prosecute antitrust and monopolistic practices in the meat-packing business.

Let me take this opportunity to say—if the Senator from Minnesota will indulge me—that it will be my purpose to show that, if the bill is passed and is enacted into law, we shall be taking a long step toward restoring economic freedom in the United States.

I am aware that the American Meat Institute and the large packers and the big chain stores are seeking to convince the producers of livestock that they, the processors, are the best friends of the producers, and that the producers can profitably allow the processors to escape regulation in the public interest, because it is alleged to be good for the producers of livestock to be led around as though they were members of the livestock herds—in other words, by rings in their noses—by the processors to whom they sell their product.

Mr. President, I wish to say that I am satisfied we can demonstrate that if economic freedom in American agriculture is established by vesting in the Federal Trade Commission—which was intended to assume it—such jurisdiction and the power to supervise such violations of the antitrust laws, there will be fewer violations.

I give this notice because I believe the question is one of the greatest importance.

I hope all Senators who are interested in making the United States the home of economic freedom, as well as political liberty, will be on hand when the bill is brought up, to pay attention to the debate.

I thank the Senator from Minnesota very much.

Mr. HUMPHREY. Mr. President, I am very happy to have the benefit of the Senator's announcement. I shall be in the Chamber to listen to the debate and to the study he has made of this important matter.

Mr. O'MAHONEY. I thank the Senator from Minnesota.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. HUMPHREY. Mr. President, I shall conclude on this point by stating that the testimony of every witness, without exception—save the witnesses on the part of the Department of Agriculture—was that the barter program had not supplanted normal marketing, but had supplemented it; and all the companies are in the cash-grain business.

In particular, I call attention to the testimony given by the representative of the Continental Grain Co. When Mr. Samuel H. Sabin, its vice president, testified and placed his statement before the committee, he analyzed the report of the Department of Agriculture and the recommendation of May 28, 1957.

I read the following from Mr. Sabin's statement:

The basic premise of the revised requirements is that proof satisfactory to CCC must be presented to the effect that each barter contract results in a net increase in exports of the agricultural commodity involved. This premise is apparently based on an assumption that under the previous barter program, the agricultural commodities sold in world markets would have been sold for dollars in any event. The principal reason for this assumption seems to be the fact that agricultural commodities originating from barter contracts have been sold to certain European countries financially able to pay dollars.

This hardly seems sufficient grounds for cutting back on the legislative intent of title III, of Public Law 480. It is a natural result of the barter program that the sales of the agricultural commodities obtained through barter would be sold for dollars or currencies readily convertible into dollars since the counterpart strategic material must be paid for by the grain exporter in dollars.

Furthermore, we are, of course, confronted with the problem of exportable surpluses from other countries which are purchased by the very same buyers able to pay dollars for our own surpluses, and these foreign buyers are acutely conscious of any price advantage. While CCC attempts to keep its export prices competitive, there are times when the availability of surplus commodities obtained under barter permits the trade to make export offers and effect sales which would otherwise be lost.

He was saying that when dealing with an importer in Holland or in France or in Belgium or in England, one is dealing not with a social worker, but with a shrewd businessman who will buy where he can buy the commodities at the lowest price—which is a good, healthy, normal attitude to be taken by someone who is in business to make a profit.

The only way the American seller can make a sale in that market is by competing on two items—quality and price. Therefore, the argument the State Department and the Agricultural Department make, that we are displacing cash sales, falls on its face. The fact is that if the seller has a price low enough, he will get a cash sale without barter. The only advantage of the barter transaction is that it give the company handling it a sort of discount, and the company is able possibly to quote a slightly lower price in competition with another seller from another country. That is the only advantage.

Mr. Sabin continued:

In practice this company, and we believe the grain trade generally, has never hesitated to forgo any possible barter advantage

accruing to itself in order to effect sales which would be lost by the United States to other exporting countries if based on CCC's published price.

Thus in our view, USDA has failed to establish its main premise and the Secretary should continue to exercise the barter authority which the law states is "in addition to other authorized methods and means * * *." A barter which effects the delivery of a valuable strategic material, which is durable and economically storable, and which furthermore assures the exportation of an equivalent value of a perishable United States surplus agricultural commodity would seem most advantageous to the United States Government.

That is the testimony of Mr. Sabin. It is backed up by the vice president of the Continental Grain Co., Mr. Edward W. Pierce.

I have a letter from the Calabrian Co., of New York City, one of the large concerns doing a great deal of bartering. It has answered some of the comments of the Department of Agriculture. The letter reads, in part:

Rumors are now circulating grain circles that Mr. Benson (in a letter supposedly written by Mr. Berger) has been piqued by the Senate action in that he feels administration sacred toes are being stepped upon. It is a pity indeed that Mr. Benson and his aides, after openly flouting Congressional authority and intent for the past months has suddenly become insulted when Congress took definite steps to assert its Constitutional prerogatives. It is also a pity that conditions reached such a sad state as to make it necessary for Congress to use its authority in unmistakable language.

It is also pathetic that Agriculture can continue to ignore logic in their arguments and repeat their confused and unintelligent remarks thereby hoping to make them become respectable by continuous repetition. It does not make any difference that their two main arguments:

- (1) Barter is displacing cash sales; and
 - (2) We are hurting Canada by our barter sales;
- are paradoxical.

I think that is quite interesting. If barter is displacing cash sales and at the same time we are hurting Canada by our barter sales, I do not see how we can have both shoes on at the same time.

I continue reading the letter:

Obviously, the fact that the claim we hurt Canada refutes their claim that barter displaces cash sales makes no difference to them. Also the fact their claim that we hurt Canada smacks of insincerity, fades then not at all. First of all if indeed we hurt Canada, which is questionable, then we could hurt them only by our wheat sales.

I submit that there are many other commodities in the Commodity Credit Corporation eligible for barter besides wheat.

Continuing with the letter:

However, in their stubborn anxiety to kill barter they overlook this simple inconsistency. Furthermore, they ignore:

1. The barter program has helped considerably another segment of the Canadian economy metals and minerals.
2. We have been restricted to sales of commodities as a matter of practice to friendly countries, whereas Canada has no such inhibitions. Only last week they sold to Red China, and the trade is bracing themselves for more of such trades.

We appreciate very much your enclosed Senate bill 3420 and accompanying report.

The letter is signed by Charles A. Cogliandro, of the Calabrian Co., of New York City.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. YOUNG. Is it not true that Canada has been opposed to all the provisions of Public Law 480?

Mr. HUMPHREY. I think our friends in Canada have not been happy about Public Law 480. I compliment the Government for administering Public Law 480 carefully, to see to it that the foreign-policy aspects of it are not injured. I want to see Public Law 480, as the Senator from North Dakota knows, administered in a way that is helpful, and not injurious, either to ourselves or our allies. I wish to do everything I can, within reason, to be of help and to be kindly to our friends in Canada, but I say, most respectfully, to our friends in Canada, their dollar is worth every bit as much as our dollar is.

Mr. YOUNG. It is worth more.

Mr. HUMPHREY. Canada's currency is solid. Canada's only overproduction problem is in wheat, but our overproduction is in more commodities than that, and I see no reason for American farm producers to drop dead merely because somebody says the law is going to make somebody unhappy. Our farmers have been unhappy for such a long time that they have difficulty smiling.

Mr. YOUNG. If we were to sit back and have no program to promote increased exports of our surpluses, we would probably please other countries which also have surpluses, but we would certainly not be doing justice to the rest of the world. How can we sit back with all these surpluses and not make them available to the hungry people of the world? I think we would be more subject to criticism for not making our surpluses available than we would be if we followed our present course of trying to make our surpluses available to food deficit countries.

Mr. HUMPHREY. I thank the Senator.

I wish to point out that in every barter deal dollars are involved. The argument of the Department of Agriculture about barter deals displacing cash sales falls flat on its face. First of all, the only way a barter deal is ever made is if the barterer converts the commodity into dollars, which dollars are then used to purchase minerals or materials in other countries. So if one of our objectives is to be able to get dollars into dollar-deficit countries, one of the best ways to do it is by barter.

Mr. YOUNG. Will the Senator yield further?

Mr. HUMPHREY. Yes.

Mr. YOUNG. I have always believed the Canadians were among our best friends in the entire world. I would have more sympathy with them, however, and with their problem of farm surpluses, if they tried to do something, as we are, to curtail their production and if they did more, as we are, to try to export their surpluses. I do not see how they can sit back, without any curb whatever on production, increase their

production all the time, and then expect us to solve their problem for them.

Mr. HUMPHREY. I could not agree more.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Louisiana.

Mr. LONG. As the Senator knows, there is going to be considerable opposition to the effort to extend the Reciprocal Trade Act. Those who oppose the extension of the Reciprocal Trade Act will contend that the trouble with it is that it is not reciprocal. It will be said that while some of the other countries take some of our markets, often we get taken in many respects, because we never get a market when we give up some of our markets. Certainly, the provision now being debated is reciprocal, because if we give something, we get something in return. We give a market and we get a market.

Mr. HUMPHREY. Certainly. One of the arguments I heard on the floor last night about this bill and its provisions was that it would have a tendency to raise prices in America.

The Department of Agriculture issued a report which showed that Public Law 480 had tended to raise agricultural prices. That is one of the objectives we seek. The barter provisions of Public Law 480 have had a tendency to firm up the metals market when the barter provisions were used. The testimony is clear and unmistakable.

I wish we good Americans would recognize that in a world of competition there is nothing wrong with competing. I wish we would recognize, whether we use barter or do not use it, we are not going to make sales unless we offer a good commodity at the right price. I wish we would recognize that our friends in West Germany, France, Belgium, Holland, Denmark, Japan, or wherever they may be, are tough dealers. They are rugged traders. I love them for it. All the more power to them. They are out to get some business. I see no reason why this great free enterprise, competitive system of ours, under which we compete at home for every sale, should not enable us to compete abroad.

All barter means is an additional way of trading. It does not supersede something else. It is an additional means for trading. One can sell merchandise for cash, one can sell merchandise for credit, or one can sell merchandise on time payments. That is all it is. What would the American businessman think if we passed a law which said to him, "The only way you can sell anything is for cash." I am afraid the whole American economy would fall flat on its face.

We are being asked to limit the Department of Agriculture in its ability to dispose of surpluses in a legitimate manner, after consulting with all the agencies of Government and taking into consideration every conceivable factor. There are people who insist we should limit the authority and the power of the Department of Agriculture to dispose of these surpluses.

Let us have no more talk about surpluses, if we are not going to permit the

Department to make use of them. Let us have no more talk about the cost of storing surpluses, if we are unwilling to barter for materials which involve little or no storage charge.

I want those who oppose this proposal of mine, or this proposal of the committee, to explain how they are going to justify the expenditure of an extra \$100 million a year in storage charges. With respect to the \$844 million worth of agricultural commodities which have been bartered, the Government of the United States has made \$55 million net profit, and put it in its jeans. That is not bad in this day and age when a recession is under way.

Furthermore, the Government has saved \$103 million every year in storage charges. That sum may not be much to the State Department, to the Department of Agriculture, or to some others, but to the folk I represent in Congress, \$103 million a year is a sizable contribution.

I say to my colleagues that before they follow the line laid down by the lobbyists in the reception rooms, sent here by the administration to upset the proposal of the committee, they had better be prepared to announce to their constituents that again they took the advice of the Department of Agriculture, which will result in piling up more surpluses, in waste and deterioration of surpluses, and a continued high cost of storage, when we could have bartered at least an appreciable amount of these commodities every year—up to \$500 million worth—for materials which had as much value as the agricultural commodities, or more, for commodities which were cheaper to store, which were not subject to deterioration, and which were needed for our national economy.

I want to be around when somebody explains to the wheat farmer or to the cotton farmer or other farmers that we have decided Ezra knew better than anybody else.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. LONG. I believe the explanation should also include why Senators voted for economic support for some of these same countries—to give them money—when we could have traded with them and permitted them to have some of the commodities they needed.

Mr. HUMPHREY. I join with the Senator. Some of the very countries which would be involved in a barter arrangement would not only be getting the goods they need, but would also be getting American dollars. We must remember that the commodities which the bartering company obtains from the Commodity Credit Corporation are sold and made available to get dollars. The dollars are used in the countries where American loans are going, where American military assistance and economic assistance is going. I see no reason why the people of those countries should not earn a dollar from a reasonable barter agreement.

Mr. President, I send to the desk an amendment which would modify the committee amendment, by striking out section 6 on page 4—both subsections

(a) and (b)—and, on page 3, line 8, inserting "strategic and other" before the word "materials."

The purpose of the amendment is two-fold. First, it will leave the reference in the Agricultural Act of 1956 pertaining to the supplemental stockpile exactly as it is, which means in substance that strategic, critical, and other materials are eligible for the supplemental stockpile. Secondly, the so-called duty-free provisions will apply only to the strategic materials.

The distinguished Senator from Florida [Mr. HOLLAND] pointed out my error yesterday, and the Senator was correct. I have studied the matter carefully. I have consulted with committee counsel. I am therefore offering an amendment to strike out section 6, on page 4, and to insert on page 3, line 8, after "(a)" and before the word "materials" the words "strategic and other," which will make the language of the provision the same as the language of the Agricultural Act of 1956, relating to stockpiling of strategic and other materials.

Mr. President, I believe I am correct, after having consulted the Parliamentarian, in stating that since the amendment is a refinement of the committee language it has precedence over the pending amendment.

The PRESIDING OFFICER. The perfecting amendment concerning the language to be stricken out takes precedence over the pending amendment.

The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, line 8, after "(a)", it is proposed to insert the words "strategic and other", and on page 4, beginning on line 17, to strike out section 6.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota to the committee amendment.

Mr. HUMPHREY. Mr. President, the amendment would make section 303 and section 302 identical as to the description of materials. The amendment would retain the directive to the Secretary as to barter which is contained in the committee bill, and would retain the authority in the present law to transfer to the supplemental stockpile strategic and other materials.

The amendment would limit the duty-free aspects to strategic materials. If the Department of Agriculture wants that provision extended to other materials, the Department will have to come before the committee and make its own presentation. It was the Department which asked for the duty-free aspect on strategic materials.

It seems to me the amendment will accomplish some of the purposes which were referred to yesterday, and should be helpful. It will not in any way change the basic law relating to stockpiling.

The amendment directs the Secretary of Agriculture to be considerate of both strategic and other materials in his bartering arrangements.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Would the amendment proposed by the Senator provide that only strategic materials could be brought into the country duty-free?

Mr. HUMPHREY. That is correct.

Mr. AIKEN. Would it also mean that any other materials, as referred to on page 3, which are brought in by reason of barter, shall not be transferred to the stockpile?

Mr. HUMPHREY. No; it would not. It means exactly the opposite. It means that the strategic and other materials shall be available, as the act now provides, for the supplemental stockpile. That is what the present law provides.

Mr. AIKEN. The Commodity Credit Corporation can continue to hold them indefinitely.

Mr. HUMPHREY. My proposal provides exactly what the present law provides.

Mr. AIKEN. It refers to strategic and other materials. What does the Senator mean, on page 3, by saying that "strategic and other materials of which the United States does not domestically produce its requirements" may be bartered for?

Mr. HUMPHREY. It means what section 206 of the Agricultural Act of 1956 prescribes at present.

Mr. AIKEN. This means that the Secretary can barter for nonstrategic materials.

Mr. HUMPHREY. That is correct.

Mr. AIKEN. Up to \$500 million.

Mr. HUMPHREY. That is correct.

Mr. AIKEN. It does mean, however, that nonstrategic materials cannot be brought into the country duty-free.

Mr. HUMPHREY. That is correct.

Mr. AIKEN. But strategic materials may be.

Mr. HUMPHREY. They may be.

Mr. AIKEN. Suppose strategic materials are bartered for, and are not acceptable to the stockpile. Are they subject to duty, or not?

Mr. HUMPHREY. Whether they are acceptable to the stockpile or not, strategic materials once bartered for by the Department of Agriculture are duty-free.

Mr. AIKEN. That would include lead, zinc, and so forth.

Mr. HUMPHREY. That is the provision of the present law.

The provision is:

Strategic materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products may be entered, or withdrawn from warehouse free of duty.

What I have done is merely to restore the law as it was.

I confess that in the committee discussion of this subject there was an inadvertent error with reference to the revision of section 206 of the Agricultural Act of 1956, so we have restored the language.

Mr. AIKEN. It still leaves a virtual direction to the Commodity Credit Corporation to barter up to \$500 million, even if it comes out of dollar sales or displaces dollar sales.

Mr. HUMPHREY. It does not, except that it states that the materials shall be strategic, and other materials, so that there can be no doubt about the will of the Congress.

Mr. AIKEN. It would eliminate the provision of the present law which requires the Secretary to protect the interests of the Commodity Credit Corporation and the United States.

Mr. HUMPHREY. That provision is not eliminated. The report takes care of that. The legislative history will take care of that matter.

The only reason certain specific language was eliminated from the proposal was that it was on that particular phrase or clause that the certificate of additionality was predicated.

Mr. AIKEN. It still requires the Commodity Credit Corporation to carry these goods until they can be disposed of.

Mr. HUMPHREY. The situation is the same as under the present law.

Mr. AIKEN. Under the present law, unless the commodities could be accepted in the stockpile, the Commodity Credit Corporation would have to carry them. But the Commodity Credit Corporation has no supplies of lead, zinc, or copper.

Mr. HUMPHREY. I say respectfully to the distinguished Senator that the testimony I read this afternoon, by Mr. Berger, of the Commodity Credit Corporation—

Mr. AIKEN. I would not say that the modification of the Senator from Minnesota would improve the situation much. It would improve it to the extent of requiring nonstrategic materials to be subject to payment of duty on being brought into the country. I do not see how it would prevent the bringing in of materials which are not required for the stockpile, or the supplemental stockpile.

Mr. HUMPHREY. I read from the testimony of Mr. Berger, at page 522 of the hearings:

From the beginning of the program through last May 31, barter contracts covering \$844 million in strategic materials have been negotiated, over half of the materials being earmarked for the strategic stockpile.

The rest of them went into the supplemental stockpile, as would any new amounts beyond immediate requirements of the strategic stockpile. As Mr. Berger's testimony reveals, one of the reasons we have asked for the supplemental stockpile to include materials other than strategic was so that the Commodity Credit Corporation would not find itself in possession of commodities other than agricultural commodities.

Mr. AIKEN. Does not the latest proposal of the Senator from Minnesota permit, or, in effect, direct, bartering for strategic materials and nonstrategic and other materials, even though they are not required for the stockpile?

Mr. HUMPHREY. Of course, that is the purpose of the supplemental stockpile, under present law.

Mr. AIKEN. Strategic materials would still come in duty free.

Mr. HUMPHREY. Yes.

Mr. AIKEN. Lead, zinc, and most other minerals would come in duty free.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ELLENDER. The principal purpose of the barter provision, as I under-

stand, is that under title 3 we get something of value for our surplus commodities. I would prefer having zinc or other similar materials stockpiled than an agricultural commodity which might deteriorate, provided that the conditions in section 303 were met.

Mr. AIKEN. If those in charge of the program barter for \$100 million worth of industrial diamonds which are not needed, the Commodity Credit Corporation must carry them indefinitely, and they are charged up to the farm program, whereas formerly, when they were transferred to the stockpiles, we eliminated that cost.

Mr. HUMPHREY. I say most respectfully to my friend from Vermont that if I had \$100 million worth of diamonds I would not call that a liability. I do not think the Commodity Credit Corporation would either. But if I had \$100 million worth of wheat lying around in leaky ships in the harbor, or up in the Hudson River, I am not so sure that it would always be a total asset.

It is interesting to note how the Department of Agriculture can call surplus wheat an asset on one day, but the very next day say, "We are getting too much wheat, and it is a liability."

Mr. AIKEN. I would not call it a real liability.

Mr. HUMPHREY. I would not say it is a liability, either.

Mr. AIKEN. It is refreshing to know that we have enough.

Mr. HUMPHREY. But the Department wants it both ways. All the Senator from Louisiana said a moment ago was that under section 3, at least we have the opportunity to trade agricultural commodities for something of value. The proposal we are discussing refers to materials of which the United States does not domestically produce its requirements and which entail less risk of loss through deterioration or substantially less storage charges, or materials, goods, or equipment required in connection with foreign economic and military aid and assistance programs, and so forth.

There is a limitation as to what goods we can take and for what purposes. The thing which disturbs me is that under the present situation we are denying ourselves one-third of the authority under Public Law 480. One part is for sales. Another part is for donations; and the third part is for barter. Under the present arrangement, one leg of this stool has been sawed off, or substantially shortened. All we are attempting to do is to say to the Secretary, "To the maximum extent practicable, get busy and do something. Try to barter if you possibly can."

In the report we ask him to protect the assets of the Commodity Credit Corporation. We tell him to use prudent judgment and good, sound, business sense.

Mr. Berger and others who have testified have told us about the elaborate arrangements to make sure they get the full value. I commend the barter division for doing a good job in the past. They did a good job. They made a \$55 million profit. But they have now closed up shop.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. I express my appreciation to the Senator from Minnesota for having met one of my suggestions of yesterday by moving to strike section 6 from the proposed amendment, which takes care of the question of duty-free admission of things other than strategic materials.

I notice, however, that the other suggestion which I made apparently is not taken care of in the amendment. I should like to call it to the attention of the Senator from Minnesota for such comment as he may care to make. If the Senator will look at line 8 on page 4 of the bill, he will see that the sentence which I objected to would be left unchanged in the bill and would read, as suggested by the present wording of the bill, as follows:

Materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing such materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

The provisions of the present law in that regard are to me quite preferable. I am reading from section 303 of the present act:

Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

While I recognize that the suggestion made by the Senator in his latest amendment meets completely the point I raised with reference to the admission of goods other than strategic materials on a duty-free basis, it seems to me he has not met at all the other suggestion I made. Perhaps he did not intend to meet it.

Mr. HUMPHREY. I believe I have met the other point. If the Senator will refer to section 206 he will see why I believe I have met it. The Senator was very helpful yesterday, and I am perfectly willing to continue to get his assistance today.

We did not change Public Law 480 when we should have, after we had changed section 206 of the Agricultural Act of 1956. I hope the Senator will bear with me as I read section 206 as it will remain in the law with the perfecting amendment included:

Strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products, unless acquired for the national stockpile established pursuant to the Strategic and Critical Materials Stockpiling Act, or for other purposes shall be transferred to the supplemental stockpile established by section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954.

Therefore, when we added, in 1956, the words "other materials," we also added that the other materials shall

be transferred to the supplemental stockpile.

In line 8, page 4, of the bill, we are providing for both strategic and other materials. In fact, we can write in again the words "strategic and other materials."

Of course, the word "materials" covers all of them, and it means that the strategic and critical materials go to the national stockpile, which is the top, or No. 1, stockpile. The supplemental stockpile was established subsequently, and it is in that stockpile, according to the Agricultural Act of 1956, that other materials acquired by the Department of Agriculture by barter shall be placed.

Mr. HOLLAND. I understand the point the distinguished Senator from Minnesota is raising. I should like to call his attention, however, to the fact that he proposes now to strike any amendment of section 206 of the Agricultural Act of 1956 from the pending bill.

Mr. HUMPHREY. That is correct.

Mr. HOLLAND. That means that the new law bearing on this subject will be entirely contained in section 303, as he proposes to amend it.

Mr. HUMPHREY. That is correct.

Mr. HOLLAND. Unless the Senator changes the words to which I have already referred it will mean that all materials, both strategic and otherwise, will again be contained in the new law.

Mr. HUMPHREY. That is correct.

Mr. HOLLAND. What I have objected to is the provision concerning the acquiring by purchase of all other materials—both strategic and nonstrategic materials—from the Commodity Credit Corporation. That provision will then read as follows:

Materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing such materials shall purchase such materials from the Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

That will mean that all materials acquired in pursuance of a barter arrangement by the Commodity Credit Corporation will be held to be sufficient assets of the Corporation to the point where they are available for purchase by Government agencies that may require them.

Mr. HUMPHREY. Yes.

Mr. HOLLAND. And these Government agencies are required to purchase them from the Commodity Credit Corporation?

Mr. HUMPHREY. Yes.

Mr. HOLLAND. I come back to the point I discussed earlier. It would be detrimental to industries that are in trouble, or industries that may be in trouble, because we would be providing a preferred supply source to agencies of the Government. I gave yesterday the case of the Navy with reference to tung oil. It will make available supplies at less than cost and the sale price of the same commodity produced by our domestic people. Of course, there are many more illustrations like that, which will occur to the Senator.

It is in that respect that I think that, in order to make good the corrections we were talking about yesterday, it is completely necessary to restore the sentence which I have already read in my discussions at least two or three times, to where it will apply only to strategic materials.

Mr. HUMPHREY. May I ask the Senator—

Mr. HOLLAND. Provided it applies only to strategic materials, I shall be in a position to support the Senator's amendment and the bill. I believe such correction will meet the two objections I voiced yesterday.

Mr. HUMPHREY. Mr. President, may I ask a question of the Senator?

Mr. HOLLAND. Certainly.

Mr. HUMPHREY. Is it the Senator's understanding that the term "other materials," and the goods which would be acquired under that language, would be eligible for the supplemental stockpile?

Mr. HOLLAND. Yes; but not, as I understood the purpose of the Senator from Minnesota, eligible for sale to other agencies of the Government in such a way as to bypass a domestic industry that produces the same materials.

Mr. HUMPHREY. It is my understanding—and I may be misinformed, or I may be misunderstanding the Senator's objection—that lines 8 to 13, inclusive, are primarily directed at the Office of Defense Mobilization or the General Services Administration, that are in charge of the stockpiling operations, to make these purchases. That is what that language essentially means. It means that materials so acquired shall be considered as assets of the Corporation, and that the other agencies of the Government, such as GSA and the Office of Defense Mobilization, shall be required to purchase those materials for their stockpiles.

Mr. HOLLAND. This does not relate to stockpiles at all. It says that materials so acquired shall be considered as assets of the Corporation, just like surplus corn or surplus wheat, and that other agencies of the Government, which is a very general term, in purchasing such materials, shall purchase—and the provision is mandatory, because it says "shall purchase"—

Mr. HUMPHREY. I believe the Senator is right.

Mr. HOLLAND. It provides that they shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

If the Senator restores the sentence to where the language applies only to the purchase of strategic materials, as it is in the present law, I shall be in a position to support the bill.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. Before the Senator makes that concession I should like to call his attention to the fact that we will be affecting strategic materials which will include lead and zinc. If lead and zinc are free for the commercial market and come in duty free, we are going to be in the same position we were in 1954. I was under the impres-

sion that all the commodities bartered for either go into the national stockpile or into the supplemental stockpile.

Mr. HUMPHREY. That is correct.

Mr. CARROLL. So I urge the Senator from Minnesota not to be hastily drawn into an agreement that might release strategic materials.

Mr. HUMPHREY. I am not being drawn into anything.

Mr. CARROLL. I have a vital interest in lead and zinc. If we are going to exclude one category, I believe we had better look to see what is in the strategic stockpile so far as critical and strategic minerals are concerned.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. I am not trying to persuade the Senator to do anything. I am calling his attention to the fact that he has met one of the objections I made yesterday, but he has not met the other one. If he leaves the language so that nonstrategic materials will be in the hands of the Commodity Credit Corporation, in such a way that they are available to every other Government agency that may need them, and the Government agency is required to deal with them prior to its ability to deal with the general trade, I shall object to such a provision, because I believe it would harm some industries in our country. I do not want the act to be subjected to the carrying of a cross which I do not believe it can successfully carry.

Mr. HUMPHREY. As the Senator heard me say earlier, I was attempting to find language which would be properly restrictive, so as not to permit the vast importation of goods which would adversely affect or injure American producers, manufacturers, or processors. I felt that we had in the bill language which made that possible when we restored section 206, or rather left it intact, or removed section 6 from the bill, because, speaking now to the Senator from Colorado, we provide that so far as acquisition of any materials, strategic and otherwise, is concerned, they are eligible for the Nation's national or supplemental stockpile.

But what the Senator from Florida refers to is the warning to the different agencies of the Government that there is a stockpile agency which acquires materials. In other words, suppose the Department of Defense, the Department of Commerce, or some other department, desires to obtain goods which were acquired under the barter program. It is to this that the Senator from Florida is referring.

Mr. HOLLAND. That is correct.

Mr. HUMPHREY. There is the protection, in that sense, of denying to the agencies of Government the opportunity of purchasing from the Department of Agriculture the other materials which the Department of Agriculture may obtain.

Mr. CARROLL. This is of vital importance to the mining industry. I was under the impression that once the materials entered the stockpile, no Government agency could purchase from the stockpile. That would be to the great detriment of the domestic economy.

Mr. HUMPHREY. Exactly. That is still protected. This is over and above the items which would go into either the strategic or the supplemental stockpile.

Mr. HOLLAND. The Senator from Colorado has gone exactly to the point to which I have been addressing myself, namely, that materials in general, not strategic materials specifically, but materials in general, which could be acquired under the mandated program, would be not only held in the stock of goods available for sale by the Commodity Credit Corporation to Government agencies, but it would be required that other Government agencies which needed those goods should buy them, in the first instance, from the Commodity Credit Corporation, if they could be obtained there. That means that supplying groups, whether of an industrial, a mining, or an agricultural nature in this country, would be directly affected under their distribution programs.

I think this problem can be straightened out. I think the other amendments proposed by the Senator from Minnesota indicate that he is moving in the direction I had suggested. I hope he will move all the way. It is with that in view that I am bringing this point to his attention.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. I note that the amendment offered by the Senator on page 3, line 8, inserts the words "strategic and other" before the word "materials."

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. Would the Senator consider further amending his amendment by having it read, "scarce strategic and other materials"?

Mr. HUMPHREY. If a material is strategic, it is scarce. It reads: "Of which the United States does not domestically produce its requirements."

Mr. MANSFIELD. But we do not produce our needs in manganese and tungsten. We produce only 10 percent. Both metals have been coming in under the barter program. If "scarce" could be placed in the amendment, I think it would be of benefit to the mining industry.

The Senator from Minnesota, who comes from a mining State, knows that the iron and taconite holdings in Minnesota are, generally speaking, in a very depressed condition. I use the word "depressed" advisedly. There is not a recession in the mining industry; it is a depression.

Mr. HOLLAND. May I make an alternative suggestion? I think the point could be made in either one of two ways: By changing the word "materials," which is the first word in line 8, to "strategic materials," which is the language in the present law.

Mr. HUMPHREY. That is correct.

Mr. HOLLAND. Or, if the Senator wishes, by limiting the agencies of the Government to which this sentence refers to those charged with the duty of accumulating stockpiles. Either approach would bring about the objective.

Mr. HUMPHREY. I think the best procedure would be to restore the words "strategic materials so acquired by the Commodity Credit Corporation." Thus the stockpiles about which Senators are deeply concerned, both the supplemental and the national stockpiles, would be protected.

Mr. HOLLAND. That would leave the law as it is, with two very real exceptions. Both of them, I believe, were in the minds of the Senator from Minnesota and other Senators. One is that a much stronger mandate is placed upon the Secretary of Agriculture to use the barter power than heretofore. The second is the provision that both the domestic and foreign stocks may be used in blending ore, such as was discussed before on the floor, under the new wording put in the bill.

Mr. HUMPHREY. That is correct. It sets a ceiling or a goal upon bartering.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Would not the Senator be willing to place in his proposed amendment the provision in the present law which safeguards dollar sales?

Mr. HUMPHREY. No.

Mr. AIKEN. It virtually directs the Secretary to barter up to \$500 million.

Mr. HUMPHREY. That has been the whole argument with the Department of Agriculture. If we put back what they have been resting their case on to stop bartering, then our proposal has been but exercise. Frankly, I am not that hungry for exercise.

I am of the opinion that we have done what needs to be done. I appreciate the thoughtful discussion which has been contributed by Senators on this matter. It seems to me that with the amendments which have been proposed and the clarifications which have been made, for which I owe much to the Senator from Florida, we have an acceptable measure. It does exactly what we have sought to do—to get the Department of Agriculture to look upon bartering not as a runaway dumping device or as a means not to be used, but rather as another of the instruments or tools to be used in the orderly disposal of the sale and use of agricultural commodities.

I modify my amendment along the lines suggested by the Senator from Florida. On page 4, line 8, before the word "materials," I insert "strategic," which brings the language into conformity with the established pattern of the Department of Agriculture used up until May 28 in the acquisition of and the disposal of strategic materials.

That pattern, I may say to my friends from the mining areas, was helpful so long as it was being exercised to stabilize the market and the price structure of our minerals, both in the United States and abroad.

I think we have all the protections we need, in light of the fact that both the supplemental and strategic national stockpiles are available for the strategic and other materials acquired. Once they are in those stockpiles, then they are to be taken out only in case of deterioration, war, or by act of Congress.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I commend the junior Senator from Minnesota for a very clear exposition of a difficult question. One could almost use Colorado as exhibit A. In the plains area are great numbers of wheat farmers. They will have surpluses. In the mountain areas are the lead and zinc. There a depression exists; mines are closing and unemployment is growing.

As nearly as we can balance off the surpluses, we can use the bargaining program which the Senator has tried to re-activate. It was once a good program. I do not know why it was abandoned, except on the theory that the cash sales were desired.

The Senator from Minnesota has made a notable contribution to the public understanding of this matter. He is suggesting one of the ways by which we can reduce the storage costs and the great surpluses.

I hope the Senator, in the interpretation of his amendment, will give protection to the mining industry.

Mr. MANSFIELD. The Senator from Colorado is absolutely correct. When the stockpile program was inaugurated by the United States Government, lead and zinc began to come into the country and compete in the open market. From that time onward, prices were depressed, not because of the competition that followed, but because of a lack of buying from the stockpile.

Mr. HUMPHREY. It was because of the lack of absorption, and of commodities coming in without being added to the stockpile.

Mr. CARROLL. That is precisely the point. In 1954 the Tariff Commission was given this problem to study and solve. They made recommendations to the President of the United States, which hung fire for a period of time, until this barter program was reactivated or was put into action by the Department of Agriculture.

The junior Senator from Minnesota has made a great contribution by explaining the working of the whole program.

I wish to ask one more question for the record: By means of the amendments, will the bill leave the barter program where it was before?

Mr. HUMPHREY. No. By means of these amendments, the bill will leave the procedure for stockpiling as it was before, and will leave as it was before the procedure for the ascertainment of whether a deal would be worthwhile and whether it would bring in substance of value. But these amendments would remove from existing law the language which permits the Secretary of Agriculture to withhold bartering, on the basis of a belief by him that it would interfere with dollar sales. In other words, these amendments would give a limited directive; they would say that, so far as practicable, the Secretary of Agriculture would be directed to engage in bartering, within the limitations which have been written into the bill and into the amendments which have been accepted—those which the Senator from Florida [Mr.

HOLLAND] suggested in the course of his participation in the debate both yesterday and today.

Mr. CARROLL. I did not quite finish my question. I observe that on page 577 of the hearings, the representatives of the Department of Agriculture reported that the Department has in certain stockpiles approximately \$310 million worth of certain commodities, for instance.

Mr. HUMPHREY. Yes.

Mr. CARROLL. Some of those commodities or materials, valued at \$135 million, were transferred to the national stockpile; and certain of them, valued at approximately \$175 million, were transferred to the supplemental stockpile.

Mr. HUMPHREY. That is correct.

Mr. CARROLL. I wish to be certain that, under existing law, those critical and strategic materials in the stockpile cannot be sold in the open market. Is that correct?

Mr. HUMPHREY. Yes; it is correct.

Mr. CARROLL. In the case of this proposal, the amendment is the same as the law existing today, is it?

Mr. HUMPHREY. Absolutely—

Mr. CARROLL. Except in the case of extending and expanding the barter program?

Mr. HUMPHREY. Yes.

PROPOSED INCREASE IN DUTY ON IMPORTS OF CANADIAN GRAIN UNFIT FOR HUMAN CONSUMPTION

Mr. LANGER. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. LANGER. A few days ago I received from certain operators of North Dakota elevators and from other North Dakota citizens letters stating that there is only a 5-cent duty on the imports of Canadian wheat which is unfit for human consumption. They want to have the duty raised.

In that connection, I wrote a letter to the distinguished chairman of the Committee on Agriculture and Forestry, the senior Senator from Louisiana [Mr. ELLENDER]. In that connection, a report was requested from the Department of State.

Believe it or not, Mr. President, the Department of State has objected to an increase in the duty; it did not want the duty increased. It said it was opposed to such an increase because it wished to maintain friendly relations with the Canadian Government.

On yesterday, we had under discussion that Canadian situation, in connection with this bill, as the Senator from Minnesota will remember.

It seems to me that when American farmers object to the importation of poisonous grain, grain which is entirely unfit for human consumption, and when they want a reasonable duty—of 15 or 20 cents a bushel—imposed on it, neither the Department of Agriculture nor the Senate Committee on Agriculture and Forestry should be swayed by what may be written in by some clerk.

Mr. HUMPHREY. Mr. President, I am sure the Senator from North Dakota will be very happy to know that this morning the Committee on Agriculture

and Forestry, at the request of the junior Senator from North Dakota [Mr. YOUNG] and the request of the chairman of the committee, the senior Senator from Louisiana [Mr. ELLENDER] and, I believe, the request of the Senator from Florida [Mr. HOLLAND], moved to report to the Senate the bill to which the Senator from North Dakota refers. I believe it is Senate bill 666.

Mr. HOLLAND. What bill is that?

Mr. HUMPHREY. I believe the Senator from North Dakota [Mr. YOUNG] moved that the bill be reported to the Senate.

Mr. ELLENDER. And it was reported.

Mr. LANGER. I thank the Senator from Minnesota.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 235. An act to increase from \$50 to \$75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service; and

S. 3418. An act to stimulate residential construction.

The message also announced that the House had agreed to the amendment of the Senate to the amendment of the House to the bill (S. 2120) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 10843) to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. GATHINGS, Mr. HILL, and Mr. HOEVEN were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 483) to amend the act of August 20, 1954, establishing a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton.

The message further announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res. 68. Concurrent resolution favoring the acceleration of civil construction programs for which appropriations have been made; and

S. Con. Res. 69. Concurrent resolution favoring the acceleration of military construction programs for which appropriations have been made.

AMENDMENT OF SOIL BANK ACT, RELATING TO CORN ACREAGE ALLOTMENTS

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 10843) to amend section

114 of the Soil Bank Act with respect to compliance with corn acreage allotments, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. AIKEN, and Mr. YOUNG conferees on the part of the Senate.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. HUMPHREY. Mr. President, in order to make my amendment completely clear, I modify it as follows:

On page 4, in line 8, strike out the word "materials", and insert "strategic materials."

That modification will take care of the situation indicated by the Senator from Florida.

Mr. LAUSCHE. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Does the Senator from Minnesota yield to the Senator from Ohio?

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. I have tried to read the hearings, in order to ascertain the positions taken by the Secretaries of the various departments. But I find the task to be rather difficult.

Therefore, I should like to hear the Senator from Minnesota state the position of the Department of Agriculture and the Department of State, and also the Department of the Interior, for I believe a representative of that Department, also, testified at the hearings.

Mr. HUMPHREY. Yes.

Mr. LAUSCHE. I should also like to have the Senator from Minnesota indicate the position taken by the representatives of other departments who testified, if the Senator from Minnesota can do so without going to too much trouble.

Mr. HUMPHREY. In relation to the extension of Public Law 480, without the barter changes we are proposing, the administration, through representatives of the Bureau of the Budget, the Department of State, and the Department of Agriculture, supports the basic extension.

As regards the amendments which were proposed—

Mr. LAUSCHE. Prior to the correction?

Mr. HUMPHREY. I believe I am correct in stating that all parts of this bill—with the exception of section 303, the barter section—receive support from the Department of Agriculture.

The 2-year provision, as I recall, was not opposed by the Department of Agriculture; but neither did the Department of Agriculture support it.

Mr. ELLENDER. The Department of Agriculture did not support it in its report; but Dr. Paarlberg, who testified, urged no objection to the 2-year provision.

Mr. HUMPHREY. Yes.

So the real argument has been over section 303 of the bill, which has received opposition from the State Department and the Department of Agriculture. I cannot speak for the Department of the Interior, except to say that the witness for the Department of the Interior who testified about bartering was much more sympathetic toward it, and, in fact, encouraged an extension of bartering—as contrasted to the position taken by the Department of Agriculture, which discouraged it.

Mr. LAUSCHE. That confirms the impressions I gained from reading the testimony.

Am I correct in believing that the objections are primarily on two or perhaps three bases: First, that it would create difficulties with friendly nations who, because of this method by which we dispose of grain, through barter, are encountering competition in the sale of grain?

Mr. HUMPHREY. That is the assertion that is made.

Mr. LAUSCHE. Second, that this method of disposing of our surplus agricultural commodities prevents the making of transactions which otherwise would be made in the market, on a dollar-sales basis?

Mr. HUMPHREY. That is the claim.

Mr. LAUSCHE. On page 524 of the hearings, I find the testimony of Mr. Berger, who explained why the barter program was discontinued. By referring to the last full paragraph on that page, we find that he pointed out the following:

You will note that this so-called easy market—this traditional dollar market for our commodities—took only 30 percent and 31 percent, respectively, in 1955 and 1956 of United States agricultural exports other than barter.

In the tabulation previously referred to, I take it that he identified the United Kingdom, the Netherlands, Belgium and Luxembourg, France, and West Germany as potential dollar purchasers.

Mr. HUMPHREY. Yes.

Mr. LAUSCHE. And he pointed out that those who bartered, and who normally would buy with dollars, in 1955 and 1956 bought only 30 and 31 percent, respectively.

Mr. HUMPHREY. Yes.

Mr. LAUSCHE. Third, is it the position of some of the Departments that we are foisting upon other nations the acceptance of obligations, in making public improvements, which will encumber their economies to a degree far greater than they will be able to bear?

Mr. HUMPHREY. I would not say that was one of the complaints that had been made; no.

Mr. LAUSCHE. I read one complaint which expressed that view. Those two are the primary complaints.

Mr. HUMPHREY. The two which the Senator has so succinctly analyzed are the primary complaints: No. 1, that bar-

ter replaces cash sales; and, No. 2, that it interferes with our foreign relations.

I only add to the evidence on that point by stating that we had complaint about the reception of that arrangement in only one or two countries, and that was primarily in the barter program. I must say, most unfortunately, that we had some complaints with respect to the sale of certain surplus dairy products and some cotton; but in the main, considering the amount disposed of, I think the complaints were minimal.

Insofar as cash sales are concerned, I am open to conviction, but I have not found testimony to back up the contention which has been made. I think Mr. Berger himself said we did not have conclusive evidence.

Mr. LAUSCHE. While he said he did not have conclusive evidence, in my opinion the tabulation which he put in the record offers sufficient strength, in my judgment, at least to cause minds to differ, and many minds would come to the conclusion that the barter program had displaced the cash sales program.

Mr. HUMPHREY. I may say, at that point, it happens that the best years we had for exporting agricultural commodities were 1955, 1956, and early 1957. It was in those same years that we had the greatest number of barter transactions. One must go back a little further and find out how well we were doing in export sales before bartering came into effect. When one does that, he finds we were not displacing cash sales; we simply were not getting them. The only reason why a barter sale works at all is that a little better price is obtained. The reason for that is that the product is not bought from another country.

Mr. LAUSCHE. I have a final question, if I may ask it.

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. In what manner is the present law changed so as to bar the Secretary of Agriculture from considering as a factor, in making up his judgment, the invasion of barter into the field of cash sales?

Mr. HUMPHREY. I point out to the Senator from Ohio that in the report accompanying the bill it is stated that we expect the Secretary to use caution, prudent judgment, and common and good business sense. That is the advice the Congress gives to him. Also, we say he shall barter, insofar as it is practicable, providing certain requirements are met, such as that the material bartered for is more storable, has good value, and does not cost as much for storage. We are just going to have to rely on the Secretary.

Mr. LAUSCHE. If we rely upon the Secretary to use his judgment, what is wrong with the suggestion made by the Senator from Vermont [Mr. AIKEN] that there ought to be language in the amendment which will not bar him from considering the extent to which barter has invaded the ability to make cash sales?

Mr. HUMPHREY. From my point of view, the reason is very easy to understand. It is that language which has killed the barter program. It is on that very language that the Secretary has

rested his entire case. It is on that basis that he stopped the program—the same program, by the way, that was in operation 2½ years, the same program which was praised as doing good and as being a good tool in our surplus disposal program. On May 28, 1957, for reasons I have been unable to ascertain, the program was stopped, and only \$400,000 worth of business was engaged in from May until October 1.

Mr. LAUSCHE. For the purpose of discussion, assume that, justifiably, and based on evidence, the Secretary of Agriculture does find that barter has hampered cash sales. What, in the opinion of the Senator from Minnesota, should the Secretary of Agriculture do under that circumstance?

Mr. HUMPHREY. I think under that circumstance he should make the cash sales.

Mr. LAUSCHE. Would the Senator from Minnesota go so far as to say that in that instance barter transactions ought to be stopped?

Mr. HUMPHREY. I would say that in that instance the Secretary of Agriculture ought to reject a barter arrangement. In other words, if he finds a cash sale can be made by a grain company—I trust they would be engaged by the private trade—he ought not to take, in its place, a barter arrangement. However, I point out that the same companies that engage in cash sales do bartering. The only reason why they sometimes engage in bartering is that they have an opportunity to make sales that could not be made for cash.

I want the record to be clear that, as I stated earlier in this debate, I feel Title I sales for soft currency surely ought to have a priority type of treatment. The most important sale is for dollars. The second is for soft currency. High in the same category is barter. So if the Secretary has any doubt about how the Senator from Minnesota feels, I hope this discussion will dispel that doubt. I feel the questioning by the Senator from Ohio has been very helpful. I think whenever we can make dollar sales, we ought to pursue them.

Mr. LAUSCHE. Will the Senator yield so that I may ask the Senator from Vermont his opinion on a matter?

Mr. HUMPHREY. I yield for that purpose.

Mr. LAUSCHE. I should like to ask the Senator from Vermont for his interpretation of the discretionary power which will lie in the Secretary of Agriculture in considering whether the situation is such that barter is invading cash sales.

Mr. AIKEN. I would say the proposal of the Senator from Minnesota removes all discretion on the part of the Secretary of Agriculture. It virtually directs the Secretary to barter, up to \$500 million worth a year, even if all of it would come from what otherwise would be dollar sales. As I pointed out yesterday, a great majority of our bartering, to the extent of \$900 million, was with countries of Western Europe which normally paid dollars. When we stopped the bartering, our deliveries kept up just the same. The countries paid in dollars.

Mr. HUMPHREY. I would say to the Senator from Ohio, in response to the view of the Senator from Vermont, the only reason a barter sale was made to a country in Western Europe was that the country was able to get a little better price from an American firm than from an Argentine firm or an Australian firm or a Canadian firm. Remember, if it was in Great Britain, for example, and the price was equal between the United States and a Commonwealth country, the Commonwealth country would get the business.

So we would not have had a cash sale if the cash prices had been equal.

When we talk about displacing American dollar sales, I point out that we cannot displace dollar sales if we were not going to get the sales, and we would not get them unless the price and quality were right.

The evidence which the traders have given is quite important. They are not all cheering for barter. Every one of the companies, except one, said they were essentially cash traders. However, they said bartering aided them in cash deals. That was the testimony of representatives of the Crofton Grain Co., the Continental Grain Co., and one or two others, who appeared before the committee.

We had a half dozen or more such witnesses before the committee. We heard a representative of the Bunge Corp., which is one of the largest companies in the world. It is an international company. Every witness said without exception that there was no evidence which might be called conclusive that bartering displaced cash sales, but everyone said there was evidence barter assisted in the sales program and provided a good market.

Mr. AIKEN. Mr. President, will the Senator yield so that I may further answer the question of the Senator from Ohio?

Mr. HUMPHREY. I yield.

Mr. AIKEN. I will give the Senator an example. The Berlin, Germany, grain market is very much upset today. A rumor spread through the market that the provision advocated by the Senator from Minnesota might be incorporated in the extension of Public Law 480, and feed grains might be purchased in Germany at from 4 to 10 percent less than the normal export price. The Federal Ministry of Agriculture in Germany has had many calls this morning, and has asked the State Department to find out what the situation is and report back to them, so that they can report to the Germans who are interested in the matter.

I also wish to say that international traders working through barter, apparently did go into Western Europe last year and the year before, and slashed the price of grain—I do not know whether it was from 4 to 10 percent, or how much—to such an extent that we narrowly avoided devastating trade war with Canada, Australia, and other countries.

I am sure if the provision in the bill under consideration is adopted, we will be in a trade war. While we may sell a little more barley to Germany by reason of the provision—and barley is the

commodity they have in mind—we will immediately be in a devastating trade war, which will force down the price of our wheat. When we get into a trade war involving wheat, we will get the short end of it.

The situation was so bad last year as a result of bartering that the topflight officials of Canada insisted on meeting with the topflight officials of the United States, and they entered into an understanding to the effect that the United States would stop the cutthroat trading in Western Europe, which is demoralizing not only that market but our market and the Canadian market. It is now proposed, within a year, that we violate the understanding and enter into cutthroat competition again, so that half a dozen international traders in New York can make fortunes in a very short time. That is the whole story.

Mr. LAUSCHE. May I say something to the Senator from Minnesota?

Mr. HUMPHREY. May I respond first to the rather dramatic expression I have just listened to?

We are not trying to benefit a half-dozen traders in New York. I will stake my record as to internationalism, international understanding, and international cooperation against that of the Senator from Vermont.

Mr. AIKEN. If this provision is approved, that is what will happen.

Mr. HUMPHREY. I have the most kindly attitude toward our good friends to the south, north, east, or west. There is no attempt to try to injure our friends. Just as we seek not to injure our friends abroad, may I respectfully suggest it would not be a bad idea to seek not to injure our producers at home.

When I hear, for example, that we can sell some feed grains, when we have a surplus of feed grains depressing the market to the point where the feed-grain producers are "going broke," that is all the more reason, I suggest, why we should get busy and sell some. We will not have much of a foreign-aid program or any other program if this country goes into an economic tailspin.

One of the purposes of the pending legislation is to attempt to help stabilize markets.

Mr. President, I say again that if the Secretary of Agriculture, the Secretary of State, or any other Secretary can show that the provision will injure our foreign relations, I shall be the first to join with any Senator, if it is properly handled, in putting into the bill whatever protective language or restraining language may be necessary.

Mr. President, for 2½ years the barter provisions under Public Law 480, which we are now seeking to amend, have been on the statute books. There were some complaints from other countries about dumping, but they were limited complaints, I must say, and, after careful examination, most of them were shown to be unfounded. I have had some of the complaints run down and have submitted the replies of Government departments to friends overseas.

I submit that we have gone from one extreme, where we were doing considerable bartering and the Department was praising its efforts—heralding its

program—to the other, where we do no bartering.

I regret that the argument about bartering has gotten out of proportion, but the Department sought to make trouble. The Department did not come before the committee to say, "Congress will have to modify the barter provision." I wish to say to my friend, the Senator from Ohio, that not one witness from the Department of Agriculture came before the committee to suggest that there be any modification whatsoever of the law. Bartering was handled by administrative rule, or administration regulation. It went from the height of \$414 million a year down to \$400,000, in 5 months, at the same time the agricultural prices were depressed. It was all done on the basis of what was said earlier, international relations.

I know our Government officials met with the Canadians. I am glad they did. There is nothing whatsoever to prevent us from meeting with them now and having an understanding as to what shall be done in these markets.

Very frankly, it is about time that Canada and the United States got together to decide what to do with surplus wheat, rather than competing as if we were enemies. I have noticed that some of the leaders in Canada have suggested a kind of world food bank. In fact, the present Prime Minister of Canada suggested a world food bank. That was not suggested by our Government. No, we will not cooperate on that basis. The Canadian Prime Minister suggested that we work out some of these problems through the United Nations. I commend him for his suggestion.

I do not wish to be put in the position of saying anything or doing anything which would injure our relationships with our neighbor to the north. I repeat there is no real reason why anybody or any nation should be injured. What we are asking is that the Secretary of Agriculture be permitted to barter up to \$500 million. That is up the ceiling. The bill does not say to him "You have to go that high." It says "You can go up to \$500 million."

I grant, that is a desirable goal, but if the Secretary finds, as we have said in our report, that it cannot be done on a businesslike basis, with prudent judgment, following sound business practices, with respect for our national interests, then indeed he is not required to do it. I would be the first to receive suggestions in a friendly manner as to how to improve the situation.

Mr. LAUSCHE. I thank the Senator very much.

Mr. ELLENDER. Mr. President, during the debate yesterday the distinguished Senator from West Virginia [Mr. REVERCOMB] asked several questions of me with regard to the disposition of surplus commodities under title I. One of the questions the Senator addressed to me was—

Does the Senator feel that sale abroad takes precedence over free distribution in this country, when free distribution is needed by many of the people dwelling here?

My answer was, in effect, that the Secretary should without doubt, in my judg-

ment, use commodities in surplus for home consumption if there is need for it, rather than to contract for their sale abroad.

When I gave the answer, Mr. President, I had overlooked the fact that under date of February 3 I had written the Department of Agriculture suggesting the possibility of obtaining additional surplus foods, especially fats and butter, for distribution to economically distressed families in Louisiana. I received an answer which came to my attention only this morning. In the last paragraph of the letter appears the following:

The Commodity Credit Corporation has at the present time 56 million pounds of butter in inventory. Your inquiry, therefore, as to the availability of butter for distribution to needy persons is thoroughly understandable. This butter has been under constant review for several weeks. However, in view of the needs for school-lunch programs (approximating 65 million pounds annually) and for charitable institutions, and for foreseeable sales programs, we have thus far, not felt that stocks have been sufficient to begin general distribution to needy persons. It would appear unwise to start such donations without being relatively certain that current stocks and prospective accumulations will permit distribution over a reasonable period to needy families in all participating States.

That paragraph seems to be at variance with what we were discussing yesterday, but during the colloquy and thereafter I was notified by the Department of Agriculture that butter would be made available immediately to needy families in Louisiana. I presume the same thing applies to the cases cited by my good friend from West Virginia.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. The colloquy of yesterday, which appears in the CONGRESSIONAL RECORD of March 18, 1958, at page 4637, was brought about as a result of inquiries made over a considerable period of time on the question of distribution of surplus food under the control of the Department of Agriculture, to the States in the particular areas where there might be need for food.

For 3 or 4 weeks I have had this question up with the Department of Agriculture, not only with respect to sending more foods into particular areas, but also getting a quicker distribution of it, and, if possible, to get a greater variety of food.

The Department of Agriculture has been most cooperative and helpful. It responded at once. My colleague, the junior Senator from West Virginia [Mr. HOBLITZEL], the Governor of my State, and Dr. Egbert, head of the Dependent Persons Administration of West Virginia, have also manifest their interest in this problem. We have found the Department to be extremely cooperative in increasing amounts, in having conferences with those in charge of distribution, and in bringing about a quicker and wider distribution in particular areas where food was needed.

In the course of that inquiry and my efforts to obtain a wider variety of food, I asked that the great need for fats be

met, and that they be added to the list of foods. I hoped something like lard or some of the vegetable oils would be added to the list of foods. However, I learned that such commodities were not available in the Department of Agriculture as surplus foods, but that a large quantity of butter was in storage. Thereupon, I asked that butter be added to the list of foods for distribution.

I was informed, through an inquiry made by a member of my staff, that under the existing law, sales abroad of surplus food commodities took precedence over distribution of foods for needy persons in this country. I thought that was totally unsound, and, thereupon, I raised the question on the floor yesterday, as the RECORD shows.

I was advised later that butter would be added to the list of foods distributed, but there was a large quantity of it on hand, and that distribution would begin immediately, as soon as it was packaged. So I am delighted at the result. I am very much pleased that the Secretary of Agriculture has taken a position contrary to the information which was originally given me, and has agreed to distribute the butter available with other food available for distribution.

I hold in my hand a formal statement made by the United States Department of Agriculture, dated Washington, D. C., March 19, 1958, stating that butter is being added to the list of foods distributed in needy areas. I congratulate the Secretary of Agriculture. I commend him for the position he has taken in seeing to it that, where there is need in this country for food, commodities within his possession will be distributed to needy persons.

I ask unanimous consent that the statement to which I have referred be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

USDA TO DONATE SURPLUS BUTTER FOR DISTRIBUTION TO NEEDY

The United States Department of Agriculture announced today the addition of surplus butter to the foods currently being donated for distribution to needy persons within the continental United States. This action was made possible as a result of heavily increased price-support purchases of butter during recent weeks. The butter will become available to recipients at the local level as soon as it can be processed into 1-pound packages and shipped.

During the past year and a half supplies of surplus butter acquired by the Department have permitted distribution only for use in school lunch programs and by charitable institutions. In recent weeks, price-support purchases of butter have risen to an apparent rate that would permit extending the distribution of this food item to needy persons with reasonable assurance of adequate supplies continuing available for this purpose for at least the next few months.

In addition to butter, the surplus food items currently available for distribution to needy persons includes nonfat dry milk, cheese, rice, wheat flour, and corn meal.

Under its distribution program the Department of Agriculture donates surplus foods to those States that have entered into agreements to distribute these foods to needy persons certified as eligible recipients in local participating communities. At present approximately 40 States, the District of Co-

lumbia, and Puerto Rico are taking part in the distribution of surplus foods to needy persons in family units.

Mr. REVERCOMB. I thank the able Senator from Louisiana for yielding to me. I feel that our discussion of yesterday clarified a situation of considerable importance.

Mr. ELLENDER. Mr. President, as I pointed out yesterday, I did not see anything in the law which would give authority to the Secretary of Agriculture to donate surpluses abroad when there is need for them at home.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the letter of March 14, 1958, from the Assistant Secretary of Agriculture, to which I have just referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 14, 1958.

HON. ALLEN J. ELLENDER,
United States Senate.

DEAR SENATOR ELLENDER: This letter is in reply to yours of February 3 regarding the possibility of obtaining additional surplus foods, especially fats or butter for distribution to economically distressed families in Louisiana.

We regret that additional surplus foods are not available at this time for this purpose. You know of course that the only sources of surplus foods for welfare donations are the Department's acquisitions under price support and surplus removal legislation. There are no current holdings or surplus supplies of farm foods like lard, shortening, and cottonseed oil, which are sometimes acquired in surplus diversion operations to stabilize the producers' prices at peak marketing seasons. Due to the favorable market conditions relative to these segments of the farm industry, no price stabilizing action has been warranted this fiscal year.

The only surplus foods in federally owned inventories and now available in adequate supply for nationwide donation to eligible needy families are price-support commodities like process cheese, nonfat dry milk, rice, meal, and flour. These food items are available to the full extent that eligible recipients can constructively utilize them without waste.

The holdings of surplus butter have been quite limited for many months, with available supplies since September of 1956 being inadequate for all eligible outlets. After a peak inventory of 466 million pounds of surplus butter in mid-1954, when all eligible outlets received donations, the Federal stocks gradually dropped to zero in March of 1956. Federal shipments of surplus butter for family-welfare distribution were suspended as of September 30, 1956, and have not been resumed; donations for use by needy and indigent persons in charitable institutions (including hospitals, orphanages, homes for the aged, child-care centers, etc.) were stopped during the period from October 1956 through July 1957.

Section 416 of the Agricultural Act of 1949, as originally enacted, expressly set forth an "order of priority" for recipients eligible to receive donated food commodities. The present section, as amended by section 302 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.), omits any specific requirement of priority for donation of food commodities for use within the United States, and merely prescribes the permissible domestic outlets without specifying an order of priority as did the earlier version of the section. Donations

are authorized on such terms as the Secretary may deem in the public interest. Consequently, it has been determined by the Department over the past several years to be in the public interest to distribute section 416 commodities, as well as those donated under authority of section 32 of Public Law 320, 74th Congress, in the following order: (1) to schools, (2) to charitable institutions, and (3) to needy persons who are public-welfare recipients.

Of course, no priority problem arises except when the available supply of a commodity is insufficient for donation on a nationwide basis to all eligible categories. When quantities are limited, institutions are given priority over welfare recipients largely because the quantities remaining after school lunch distribution would not be sufficient to reach all welfare recipients. We are sure you know that in order to be eligible for donated foods, a charitable institution must be nonprofit and tax-exempt and can receive surplus foods only to the extent that needy persons are served. The number of needy persons in institutions receiving assistance in this way throughout the country is approximately 1.4 million, which remains rather constant, whereas the number of needy people participating in welfare distribution has averaged around 3 million over the past few years and fluctuates widely at different seasons of the year.

Furthermore, the Department believes that placing charitable institutions in second position of preference in most cases results in the most constructive and effective use of surplus foods by outlets which are best equipped to handle and utilize them without waste. This is particularly true of food items acquired under section 32 authority, such as fresh shell eggs, frozen ground beef, or frozen turkeys, which are sometimes in excess of the short-term needs of the school lunch program but never sufficient for nationwide donation to all outlets.

The establishment of priorities by the Department results in uniformity of treatment in all States between recipients in various categories.

Although the total price support acquisitions of butter during calendar year 1957 amounted to about 173.5 million pounds, the uncommitted inventory at the end of December was only 31 million pounds. At this time the Department's surplus accumulations are on a somewhat accelerated scale, due partly to greater milk production (encouraged by large quantities and low prices of feed grains), but due also to heavy liquidations of butter supplies in anticipation of the scheduled reduction in dairy supports on April 1.

The Commodity Credit Corporation has at the present time 56 million pounds of butter in inventory. Your inquiry, therefore, as to the availability of butter for distribution to needy persons is thoroughly understandable. This matter has been under constant review for several weeks. However, in view of the needs for school-lunch programs (approximating 65 million pounds annually) and for charitable institutions, and for foreseeable sales programs, we have thus far not felt that stocks have been sufficient to begin general distribution to needy persons. It would appear unwise to start such donations without being relatively certain that current stocks and prospective accumulations will permit distribution over a reasonable period to needy families in all participating States.

We are watching this situation very closely. Any change in policy will be brought to your attention. Thank you for your letter and your interest in this matter.

Sincerely yours,

DON PAARLBERG,
Assistant Secretary.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. There is nothing in the law that I can find which would justify the interpretation that the sale of foodstuffs abroad should take precedence over distribution to the needy at home. As I understand, there is nothing in the law one way or the other as to sales. I am very glad that the Secretary of Agriculture has placed an interpretation upon the law which will enable him to look after the needy in the distribution of surplus foods.

Mr. CASE of South Dakota. Mr. President, the parliamentary situation, as I understand, is that the pending amendment is the amendment offered by the Senator from Vermont [Mr. AIKEN], to strike two sections from the bill, and that there is, in preference to that, a pending and perfecting amendment offered by the Senator from Minnesota [Mr. HUMPHREY], which would make certain changes in the text of the sections proposed to be stricken by the Aiken amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. CASE of South Dakota. I wish to speak on the implications of the perfecting amendment. The language is improved, I think, in some respects, by the proposals of the Senator from Minnesota. Certainly the striking of section 6 is desirable, because it eliminates the threat to import duties on nonstrategic materials. With section 6 remaining in the bill, if it were to become law, import duties would be waived on nonstrategic materials. To the extent that the Senator from Minnesota has responded to the suggestion of the Senator from Florida [Mr. HOLLAND] and other Senators, that is a gain.

However, I do not feel that the changes he would make in the text of section 5 meet the questions which have been raised. Superficially it might seem that striking the word "materials" and inserting "strategic materials," which is the wording of the present law, would meet the objections. However, the reason why the restoration of the wording of the present law is not responsive to the situation is that ahead of the words referred to, in the middle of section 303, there is a very material change, which takes from the Secretary the discretion he has under section 303, and makes it mandatory that he shall do certain things.

Section 303 in the present law provides:

Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation—

He may proceed to do certain things. The bill strikes that first clause, which relates to the Secretary having reason to believe, and so forth, and says directly, and without any qualification:

The Secretary is directed, to the maximum extent practicable within the limit permitted by this section to barter or exchange—

And so forth. When we have done that, we have said that he shall barter or exchange for any materials of which

the United States does not domestically produce its requirements.

The United States does not produce its requirements of sugar, of wool, and of a great many minerals.

Therefore we have in the first part of section 303, if it remains as it is in the bill, a direction to the Secretary of Agriculture "to the maximum extent practicable" to barter or exchange agricultural commodities for materials of whatever character, presumably, of which the United States does not produce its requirements "and which entail less risk of loss through deterioration or substantially less storage charges."

When we have broadened the field of barter in that way, we have changed the materials which are covered and which will be acquired by the United States.

Then on page 4, when we add to the word "materials", the word "strategic" so as to read "strategic materials" we have not prescribed or assured the disposition of nonstrategic materials which may have been acquired under the directive given in the first part of the changed language.

Personally I thought it was a mistake to direct and require the other agencies of Government to purchase broadly all such materials from the Commodity Credit Corporation to the extent that they were available "in fulfillment of their requirements." I believe that the insertion of the word "strategic" modifies that to a certain extent, but I do not believe it does so adequately. It does not cover the disposition of materials which might not be strategic but which would be acquired under the directive of the first part of the bill.

Mr. President, I now wish to speak for a time on another feature of the bill, but my remarks are related to this subject. For the benefit of Senators who may wish to sign their mail or who have some other duties to perform for the next 15 or 20 minutes, I assure them that unless I am taken from the floor in some way I shall speak for the next 15 or 20 minutes, in order to give them an opportunity to take care of their mail and such telephone calls as they may wish to make. I shall place the material in the RECORD or I shall read it, and I shall occupy the time in that way. I have assured other Senators who are not on the floor that there would be no votes before 6 o'clock if I am once recognized, and I shall extend that assurance to those who are on the floor.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield, provided I do not lose the floor.

Mr. ELLENDER. I should like to ask whether the Senator proposes to discuss the amendment he intends to offer?

Mr. CASE of South Dakota. I do not propose to discuss that amendment particularly. I am going to talk about title I, and more or less by way of background.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield, provided I do not lose the floor.

Mr. WATKINS. I notice that the Senator said he had some arrangement to talk until 6 o'clock.

Mr. CASE of South Dakota. I expect to talk until 6 o'clock.

Mr. WATKINS. Does the Senator have any understanding as to when the Senate will recess?

Mr. CASE of South Dakota. I have no such understanding.

Mr. WATKINS. I thought perhaps he had some information on that subject.

Mr. CASE of South Dakota. I have no information on it.

Mr. WATKINS. I have been waiting since yesterday afternoon to make a short statement. I have not had any assurance as to how long the Senate will remain in session this evening.

Mr. CASE of South Dakota. I am sorry I cannot help the Senator from Utah.

Mr. ELLENDER. May I ask the Senator this question, in order to ascertain whether we may be able to dispose of the bill this evening? Will the Senator from South Dakota insist on his amendment?

Mr. CASE of South Dakota. Does the Senator refer to the one I have submitted and which has been printed?

Mr. ELLENDER. I do.

Mr. CASE of South Dakota. I expect to present that amendment for consideration by the Senate.

Mr. ELLENDER. Aside from that amendment, there would be no further amendment to be considered than the one pending—

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. AIKEN. The Senator from Indiana [Mr. JENNER] has an amendment to offer.

Mr. JENNER. Shall I offer it now?

Mr. ELLENDER. Is the amendment at the desk?

Mr. JENNER. No; I have not had an opportunity to submit it.

Mr. ELLENDER. The only amendments which are pending and which are to be considered are the amendment of the Senator from South Dakota and the amendment of the Senator from South Carolina, as I understand.

Mr. JENNER. I should like to submit my amendment.

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Indiana for that purpose?

Mr. CASE of South Dakota. I have no objection to it, provided I do not lose the floor. I ask unanimous consent that I may yield to the Senator from Indiana for that purpose, without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JENNER. Mr. President, I offer the amendment which I send to the desk and ask that it lie on the table.

The PRESIDING OFFICER. The amendment will be received and will lie on the table.

Mr. CASE of South Dakota. May I have the attention of the distinguished Senator from Louisiana?

Mr. ELLENDER. Mr. President, will the Senator yield once more, so that I may make an announcement?

Mr. CASE of South Dakota. I shall be glad to do so, provided I do not lose the floor.

Mr. ELLENDER. Mr. President, I have been asked by the majority leader to announce that because the bad weather which is prevailing outside, it is desired not to keep the Senate in session much longer, and that there will not be any votes taken tonight.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. KNOWLAND. I have just talked with the majority leader. Because of the lateness of the hour and the bad weather outside, the majority leader has recommended—and I concur in his recommendation—that as soon as the discussion has been completed, the Senate go over until tomorrow. This will enable Senators and the members of the staff to get home before the storm gets worse.

Mr. CASE of South Dakota. Mr. President, with respect to the portion of the bill which we have been discussing, I wonder if the Senator would look at page 4, line 9, the sentence which deals with the acquisition of the materials, and consider the possibility of placing a period after the word "Corporation" in line 9.

It occurred to me that that sentence might merely read, "materials" or "strategic materials"—either one—"so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation."

It would then be possible to obviate the fear which some Senators have expressed that other agencies of the Government, in purchasing such materials, would be required to purchase them from the Commodity Credit Corporation inventories to the extent available, regardless of the materials which might be on the open market.

That is a built-in guide to depressing the market price for whatever materials may be on the market, if there are also some in the possession of the Commodity Credit Corporation.

Mr. ELLENDER. The amendment now under discussion has been studied to a large extent by the Senator from Minnesota [Mr. HUMPHREY]. Before giving a positive answer as to whether a period should be placed after the word "Corporation," I wish to consult with him.

Mr. CASE of South Dakota. I also suggest striking the remainder of the sentence.

Mr. ELLENDER. Yes. As I understand, all the strategic material would be handled under the amendment proposed by the Senator from Minnesota [Mr. HUMPHREY] in the same manner as is now the case.

Mr. CASE of South Dakota. What would happen to the nonstrategic materials?

Mr. ELLENDER. The same as happens now.

Mr. CASE of South Dakota. Except that now the Secretary can use his discretion. He has to believe that the action he takes will add to the value of the assets of the Corporation. Under the language in the first part of the section,

as changed, he is directed to go ahead and acquire such materials.

Mr. ELLENDER. I understand that; but the point is that after a material is acquired, it would then be handled in the same manner as is now the case. Personally, I do not see any difference in the handling or the administering of barter under the bill from what was the case before the order was issued by the Secretary last May.

The evidence discloses that by action of the Secretary of Agriculture, bartering has actually been stopped. In other words, bartering is a mere trickle now compared with what it once was.

What the committee sought to do was to direct the Secretary to proceed to barter along generally the same lines and in the same manner as he did before. I do not know of anything in the amendment which would change the practice, except that we have provided yardsticks or methods according to which he must proceed.

Mr. CASE of South Dakota. Would not the Senator from Louisiana agree that when we provide that the Secretary must proceed to barter for anything as to which the United States does not domestically produce its requirements—

Mr. ELLENDER. To the extent practicable, yes he has discretion as to what he will barter for within the terms of the bill.

Mr. CASE of South Dakota. The Secretary might convert surpluses of wheat into some sugar?

Mr. ELLENDER. No.

Mr. CASE of South Dakota. We do not produce sufficient sugar to meet our needs.

Mr. ELLENDER. But sugar is under a quota provided by law. Certainly the Secretary could not bypass that law.

Mr. CASE of South Dakota. What about wool?

Mr. ELLENDER. I do not think the Secretary could bypass that law.

Mr. CASE of South Dakota. What about wool?

Mr. ELLENDER. There is a support price on wool. I hope the Secretary would exercise his judgment and not barter for any commodity on which there is a support price.

Mr. CASE of South Dakota. We have taken away the discretion he had and are saying that he is directed, to the maximum extent practicable.

Mr. ELLENDER. That is correct. We have taken away his discretion as to whether he will have a substantial program.

Mr. CASE of South Dakota. "Practicable" does not carry with it the discretion contained in the old language, under which the Secretary had to have reason to believe that there would be an opportunity to protect the funds and assets of the Corporation.

Mr. ELLENDER. I simply desired to stress the point. Is the Senator now saying that the Secretary of Agriculture could have bartered for sugar or wool under the old system?

Mr. CASE of South Dakota. I do not know.

Mr. ELLENDER. He could have.

Mr. CASE of South Dakota. I think the new language raises a doubt.

Mr. ELLENDER. He could have, but I do not believe he would have, because there is a quota system for sugar. On the other hand, I doubt that the Secretary of Agriculture would desire to barter any crops on which there were support prices. To do so would aggravate the situation.

Mr. CASE of South Dakota. I shall renew that question later or bring it to the attention of the Senate tomorrow.

I shall now proceed with a discussion of the background of Public Law 480, particularly that portion of title I which deals with the sale of agricultural commodities for foreign currencies. Since I see that it is nearing 6 o'clock, instead of reading a great deal of material, I shall ask permission to have certain matters printed in the RECORD, preceded by such introductory remarks as may be necessary.

The background of Public Law 480, which relates to the sale of surplus commodities for foreign commodities, is found in hearings which the Committee on Armed Services conducted in March 1953. General Van Fleet had returned from Korea, and to him the Senator from Georgia [Mr. RUSSELL] addressed this question:

Some very disquieting reports have come back to us as to the ration of the ROK's; some of the reputable press services have reported that as many as 7,000 soldiers a month from the Republic of Korea armies are being hospitalized due to malnutrition and tuberculosis, and that they are receiving a diet that has such a low caloric content—would you care to comment on that now, or do you prefer to do that in executive session?

General VAN FLEET. No, sir; I will be glad to do it openly. I think we should air the whole matter.

Senator RUSSELL. I am very much interested in it.

General VAN FLEET. The basic diet of an oriental is rice, and they measure the quantity by a measure they call a hop. You get 6 hops a day, 2 hops per meal, and a hop—they measure it off in a little container, and smooth it off, and there is a cubic measure of dry rice. When it is cooked up, those 2 hops make a nice big bowl of rice, whole-grain rice, so it has got all the vitamins in it. It is not polished rice, as we get used to.

That big bowl of rice fills the man's stomach, and, you might say, satisfies the hunger appetite.

Now, to put in the other balanced ingredients he gets vegetables. Well, he gets a supplement there of vegetables, and some fish, a little meat, and a type of pickle there they call kimchee. It has a lot of vitamins in it, like a sauerkraut.

Now, that ration is enough to normally keep the man in good condition. In hard battle, in hard cold, in strenuous work, he would like to have more, but the Army ration is more than the civilian ration, than the civilian is getting, far more, far better taken care of than the average civilian in Korea.

I shall skip several paragraphs. The Senator from Georgia then asked this question:

The other angle is the reports are that the Communist prisoners that we have captured are receiving a better ration than our allies who are fighting with us in a joint

military venture in a war in which the lives of thousands of our men are involved.

Is it true that the Chinese Communists and North Korean prisoners get a better ration than our Republic of Korea troops?

General VAN FLEET. That condition has existed for a long period of time. I am advised that it has been corrected since I left Korea, but we have recommended repeatedly that the South Korean soldiers who are guarding these Communists get the same rations as the PW's do.

A little later, another question was asked by the Senator from Georgia [Mr. RUSSELL], as follows:

Why don't you give it to the Communists? They are orientals, too.

General Van Fleet replied:

Because we have to live up to the Geneva Convention which says that we have to give them our ration, and you have an International Red Cross there that submits a derogatory report every time they see it falling short in the slightest. We have to give them warmed barracks, hot showers, where orientals never had that.

Later in the interrogation that morning, General Van Fleet said:

The country has never produced enough food, even when it was occupied by the Japanese. They had to import a great deal of grain.

The average Korean family wears the same clothes they had before the war, which are just a few pieces of rags, plus what some charity has sent over there for the welfare program.

They are on a starvation diet, and with great need for shelter, clothing, farm tools, fertilizer, seed, livestock, to get reestablished on their farms properly.

Mr. President, it is not necessary for me to read all the testimony. But the general tenor of his testimony was that in Korea there was a shortage of food and a tremendous inflation; and that with the average Korean farmer called off to war, the Koreans were producing less food, and more money was being issued, with a consequent inflation of food prices.

At one point the Senator from Tennessee [Mr. KEFAUVER] asked:

Then, General Van Fleet, from a humanitarian viewpoint, as well as to help sustain the fighting qualities of the Koreans, you would hope that the American people would realize the necessity for additional charity; that anything that could be done to get surplus food products to Korea, would be very much in the public interest?

General Van Fleet replied:

Very much so, Senator. That program is lagging.

The hearing proceeded throughout that day.

On the next day, when I was reached in the order of questioning, I asked General Van Fleet this question:

Just one or two questions with respect to assistance in the way of food and supplies in Korea. Could you estimate what increase in efficiency of present ROK troops would be achieved if their diet were brought up to that of the prisoners of war?

General Van Fleet replied:

I am very much in favor of an increase in the ROK ration, but I would leave that increase to be worked out by our authorities in Korea, and I would not make it too big an increase. I do not have the facts before me to compare it with the POW diet.

Then I said:

A letter was forwarded to me by the father of a soldier, which I just received yesterday, which pretty well supports what you were saying about the diet there. He was complaining that the PW's, the prisoners of war, under our care were getting better food than the Korean soldiers, and also they were getting uniforms and clothing that was better than the Korean soldiers.

I think the American people generally would support the idea that with the food supplies that we now have, they would support providing more food for the Koreans, both civilian and military, if it could be translated into terms of (1) greater efficiency of troops; (2) fewer ROK troops going to the hospital; and, (3) possibly, the increase of troops available.

That was on March 6, 1953.

I then undertook to study the matter somewhat.

On March 9, 1953, I wrote to the Honorable Ezra Taft Benson, Secretary of the Department of Agriculture, a letter from which I shall read the first few paragraphs, and then I shall ask that the entire letter be printed in the RECORD.

I now read from my letter of March 9, 1953:

MY DEAR MR. SECRETARY: Attached you will find a copy of an informal draft of a bill which I propose to introduce in the Senate today, which would authorize you to sell the Republic of Korea food and clothing, commodities and to receive in payment legal currency of the Republic of Korea. The exact form and details are subject to revision, of course, but I hope that the general proposition will appeal to you and may have your support.

You will note that the bill also directs the Treasury to credit such currency against debentures of the Commodity Credit Corporation and to place it in a Korean Reconstruction Fund and creates a Joint Committee of the Congress to investigate conditions in Korea and recommends a program of reconstruction through the use of the fund so created.

Then in my letter I referred to the testimony given by General Van Fleet before the committee.

I concluded the letter with the following sentences:

Eventually, the United States will rehabilitate South Korea. * * *

Why not help ourselves by helping the South Koreans now—using some of the fibre and food products which the Commodity Credit Corporation is buying—thereby translating these growing stocks into strength at the front and providing the local currency funds that can be used in Korean rehabilitation later on?

Mr. President, I ask unanimous consent that the entire letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D. C., March 9, 1953.

The Honorable EZRA TAFT BENSON,
Secretary, Department of Agriculture,
Washington, D. C.

MY DEAR MR. SECRETARY: Attached you will find a copy of an informal draft of a bill which I propose to introduce in the Senate today which would authorize you to sell the Republic of Korea food and clothing commodities and to receive in payment legal currency of the Republic of Korea. The exact

form and details are subject to revision, of course, but I hope that the general proposition will appear to you and may have your support.

You will note that the bill also directs the Treasury to credit such currency against debentures of the Commodity Credit Corporation and to place it in a Korean Reconstruction Fund and creates a joint committee of the Congress to investigate conditions in Korea and recommends a program of reconstruction through the use of the Fund so created.

On February 26, the Associated Press reported Korean Defense Minister Shin Tae Young as saying: "The ROK soldier is getting only about one-third the calories he needs from rice and a few side dishes."

Last week, in the Senate Committee on Armed Services we heard Lt. Gen. James Van Fleet say that both the military and civilian populations of South Korea were living on a diet below that which we provide for our prisoners of war under the Geneva convention.

General Van Fleet also testified that fewer South Korean troops would go to the hospital, that more South Korean men could qualify for military service, that efficiency at the front would be improved if they had a better diet. He also said that many of the civilians are wearing the ragged remnants of the clothes they had on their backs when the invasion took place almost 3 years ago.

Eventually, the United States will rehabilitate South Korea. That would be in keeping with our traditions and the spirit of our people toward an ally to say nothing of the destruction occasioned by our own troop movements.

Why not help ourselves by helping the South Koreans now—using some of the fiber and food products which the Commodity Credit Corporation is buying—thereby translating these growing stocks into strength at the front and providing the local currency funds that can be used in Korean rehabilitation later on?

Using food to win the war and build the peace beats putting bluing on potatoes or burning wheat or killing pigs.

Respectfully submitted.

FRANCIS CASE,
United States Senator, South Dakota.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that the bill I introduced—in keeping with the statement contained in the letter; it is Senate bill 1230, of the 83d Congress, 1st session, which was introduced by me, on behalf of myself and my colleague [Mr. MUNDT] on March 9, 1953—be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1230

A bill to provide for the strengthening of the Republic of Korea as an ally against aggression and for the reconstruction of that country from the ravages of war in resisting aggression

Resolved, etc., That the Secretary of Agriculture is hereby authorized, through the facilities of the Commodity Credit Corporation to acquire domestic supplies of wool, cotton, grains, dairy, poultry, and meat products, and to sell and deliver such commodities to the Republic of South Korea in an amount not exceeding \$500 million under the authority of this act, and to accept legal currency of the Republic of Korea in payment therefor. In carrying out the provisions of this section, the Secretary of Agriculture shall, insofar as practicable, utilize stocks of such commodities as may be acquired by the Commodity Credit Corporation or the Secretary in carrying out other provisions of existing law.

Sec. 2. The Secretary of the Treasury is authorized and directed to receive from the Secretary of Agriculture currency of the Republic of Korea acquired pursuant to the authority of section 1 of this act and to credit such receipts in payment for and retirement of debentures or other evidences of indebtedness of the Commodity Credit Corporation to the Treasury and to deposit this currency in a special fund for Korean Reconstruction and Rehabilitation.

Sec. 3. There is hereby created a Joint Select Committee on Korean Reconstruction and Rehabilitation to consist of five Members from the Senate of the United States to be named by the President of the Senate and five Members from the House of Representatives to be named by the Speaker of the House of Representatives. This committee shall investigate the economic and social conditions of South Korea growing out of the resistance of the Republic of Korea to aggression and shall report its findings to the Congress not later than January 15, 1954, together with its recommendations for the reconstruction and rehabilitation of South Korea through the use of the Korean Reconstruction and Rehabilitation Fund provided by section 2 of this act. The expenses of such committee shall be provided from the contingent funds of the Senate and House of Representatives by appropriate resolution.

Mr. CASE of South Dakota, Mr. President, some time later, some question was raised as to the origin of the proposed legislation relating to the sale of surplus agricultural commodities for foreign currencies. I asked the Legislative Reference Service of the Library of Congress to make a determination of the chronological history of legislative measures proposing the exchange of surplus agricultural commodities for foreign currencies.

I received a memorandum under date of July 9, 1954. Apparently it was prepared by Mr. Samuel H. Still, of the American Law Division of the Legislative Reference Service of the Library of Congress. I shall read the first paragraph of the memorandum, and then I shall ask that the remainder of this chronological history be printed in the RECORD.

The first paragraph of the memorandum reads as follows:

The first bill providing for exchange of surplus agricultural commodities for foreign currencies was S. 1230, offered in the Senate during the first session of the 83d Congress, on March 9, 1953 by Senator CASE, on behalf of himself and Senator MUNDT. S. 1230 provided for the sale of surplus domestic supplies of wool, cotton, grains, dairy, poultry, and meat products to the Republic of South Korea, payment to be made in the local legal currency of that Republic.

Mr. President, I ask unanimous consent that the entire three-page memorandum from Mr. Still, of the American Law Division, on the chronological history of this legislation, be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

JULY 9, 1954.

To: Senator FRANCIS CASE.

Subject: Chronological history of legislation proposing the exchange of surplus agricultural commodities for foreign currencies.

The first bill providing for exchange of surplus agricultural commodities for foreign currencies was S. 1230, offered in the Senate during the first session of the 83d Congress, on March 9, 1953, by Senator CASE on behalf

of himself and Senator MUNDT. S. 1230 provided for the sale of surplus domestic supplies of wool, cotton, grains, dairy, poultry, and meat products to the Republic of South Korea, payment to be made in the local legal currency of that Republic.

After the original bill (S. 1230) had been introduced the idea of exchanging our surplus commodities for foreign currencies was discussed at length during the many hearings of the Agricultural Committees of both the Senate and the House. Several similar bills were introduced and the Senate on July 1, 1953, adopted the McClellan amendment to the mutual-security bill (S. 2128) which was subsequently rewritten in conference to become section 550 of the Mutual Security Act. The McClellan amendment, modified by the Case proposal to include livestock (meat and meat products), provided for the purchase of between \$100 million and \$250 million worth of surplus agricultural commodities to be sold by the United States to friendly countries for foreign currencies (sec. 550 of the Mutual Security Act of 1951, as amended, by Public Law 118 (H. R. 5710, 83d Cong., 1st sess., July 16, 1953)).

Since the introduction of S. 1230 by Senator CASE on March 9, 1953, the following bills providing for use of foreign currencies for the purchase of our surplus agricultural commodities have been introduced:

March 11, 1953: Senate Joint Resolution 56, to provide for creation of an international food reserve.

March 12, 1953: House Joint Resolution 224, to provide for the creation of an International Food Reserve.

March 18, 1953: S. 1369, to establish a foreign trading division in the Commodity Credit Corporation in order to promote the disposal in foreign countries of surplus agricultural commodities.

March 18, 1953: H. R. 4087, to amend the Agricultural Act of 1949 to authorize the Secretary of Agriculture to sell certain agricultural commodities to the Republic of Korea, and for other purposes.

June 4, 1953: S. 2048, to provide for the use of surplus agricultural commodities in paying for offshore purchases of military supplies and other goods and services.

June 10, 1953: S. 2112, to provide for the transfer of price-support wheat to Pakistan [counterpart fund of only 5 percent of receipts by Pakistan Government from those able to pay].

H. R. 5659 (companion to S. 2112).

H. R. 5660 (identical to H. R. 5659).

H. R. 5661 (identical to H. R. 5659).

June 11, 1953: S. 2127, to authorize the Commodity Credit Corporation to transfer certain surplus agricultural commodities to the Director for Mutual Security for sale to countries participating in the Mutual Security program.

June 15, 1953: H. R. 5714, to authorize the Commodity Credit Corporation to transfer certain surplus agricultural commodities to the Director for Mutual Security for sale to countries participating in the Mutual Security program.

June 26, 1953: H. R. 5954, to authorize the Commodity Credit Corporation to transfer certain surplus agricultural commodities to the Director for Mutual Security for sale to countries participating in the Mutual Security program.

June 29, 1953: The McClellan amendment to S. 2128 was presented in the Senate, formally offered and adopted with Case modification July 1, 1953. (See Public Law 118 (sec. 550 of Mutual Security Act), 83d Cong.)

July 24, 1953: S. 2475, to authorize the President to use agricultural commodities to improve the foreign relations of the United States.

August 3, 1953: H. R. 6845, to authorize the President to use agricultural commodi-

ties to improve the foreign relations of the United States.

All of the above bills were offered during the first session of the 83d Congress. During the second session, the following bills have been offered: H. R. Nos. 7875, 8267, 8268, 8269, 8270, 8271, 8278, 8327, 8396, and 9389.

SAMUEL H. STILL,
American Law Division.

JULY 9, 1954.

Mr. CASE of South Dakota, Mr. President, following my introduction of the bill in the 83d Congress, I received a call from the Honorable You Chan Yang, known to many of us as Dr. Yang, the Korean Ambassador. He called to express his appreciation of the introduction of the bill, which was designed to improve the food supplies for Korea, to combat their inflation, and at the same time to provide a practical way for us to dispose of some of our surpluses and to acquire currencies which would save dollars in the rehabilitation of Korea.

Following his visit, Dr. Yang wrote to me a letter, which was dated March 25, 1953. In the letter he reviewed the needs of Korea, and supplemented what I have indicated regarding the desirability of legislation along this line.

I ask unanimous consent that Ambassador Yang's letter of March 25, 1953, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KOREAN EMBASSY,

Washington, D. C., March 25, 1953.

The Honorable Senator FRANCIS CASE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CASE: It was a great pleasure for Mr. Han, our counselor, and me to meet you and your assistant this morning, and I want to thank you for taking time out to talk with us.

Again, I wish to repeat what I have written to you and what I have told you—namely, that I am very grateful to you for having given serious thought to the whole problem of relieving our very grave economic needs in Korea.

In compliance with your request, I wish to state the following:

As you well know, this horrible war has been going on for the last 3 years in Korea, and more than 1,000 villages have either been destroyed or seriously crippled. More than 50 cities and towns have met the same fate during the course of the fighting in Korea. Ten million of our people have been made homeless, and there are more than 100,000 innocent children who have become orphans. Bombing from the south, bombing from the north, bombing from the east, and bombing from above cause a great deal of destruction in Korea, and this explains why most of our agricultural production has been seriously disrupted. Furthermore, there are virtually no facilities for the production of consumer goods.

I am sure that you can understand very readily why we need help. We have to feed these homeless people, we have to clothe them, and particularly the unfortunate orphans must be fed and clothed also.

Naturally, the food problem is one of the most acute difficulties our people face. We have to supply our population and particularly our armed forces, and, despite the fact that many well-meaning non-Korean organizations have been assisting us, the problem still remains serious. That is why whatever you can do in this respect would be a tremendous contribution to the betterment of

the general well-being of our people. Grains such as barley, wheat, rice, corn, soya beans, and even flour would be most welcome to us. Any poultry products as well as other meats would be an invaluable addition to the task of meeting the shortage of food in Korea. However, dairy produce such as cheese, butter, and liquid milk would not be suitable, because the Korean dietary habits have not as yet been developed to include a taste for these items. On the other hand, it is my firm belief that powdered milk would be very useful, particularly for the children in Korea.

Any assistance that can be given to relieve the suffering of our people, particularly with regard to the need for food and clothing materials such as woolen and cotton goods, would mean a tremendous uplift in the morale of my countrymen.

I am sure that you will agree with me that, if the families and dependents of our soldiers in Korea as well as the police, who also have shared the burden of fighting in Korea, are given a more ample supply of food and clothing, the morale of our fighting soldiers and police would be greatly strengthened. Such help would make a direct contribution to the even more essential military operations in Korea.

As I told you this morning, due to the poor living conditions, because of the war, 30 percent of our people are tuberculosis cases. If something is not done to alleviate this situation, it may mean national suicide.

You may remember my comment on the farm animals. The losses in virtually all forms of livestock have been very heavy, and there has been a very sharp decline in the number of draft animals for tilling the soil. I am sure that in ameliorating this condition it would mean an increase of agricultural produce in Korea.

I also called to your attention our need for ships. Early in 1952 a bill was introduced by Senator WARREN MAGNUSON to authorize the transfer of 50,000 tons of ships to be used by Korea. This was passed in the Senate, but to our great regret the bill failed to get recommendation in the House.

In the last few years, kindhearted American people, through their churches, other organizations, and, in many cases, individuals, have collected large quantities of relief goods for our refugees in Korea. May I call to your attention that many times in the past these goods have failed to reach Korea because of the lack of transportation.

If we had, for example, 10 Liberty-type ships, there could be a continuous flow of transportation not only for our relief goods but also for grains that have been purchased now in the process of being sent to Korea. It would mean further that these ships could go to Korean ports directly instead of stopping first in Japan. This would eliminate piling up of goods due to lack of shipping space. Our Government, despite its very difficult financial situation, has been using its meager dollar funds for the purchase of grain in this country and elsewhere as well as for the transportation of these grains at a cost of up to \$13 per ton. If we had these ships, the cost for transportation could be greatly reduced, and, naturally, this reduction would help us immensely. Ten of these ships could transport 40,000 to 50,000 tons of cargo per month.

The above is about the gist of our conversation this morning, and if there is anything I can do, please do not hesitate to call on me.

Very sincerely yours,
YOU CHAN YANG,
Korean Ambassador.

Mr. CASE of South Dakota. Mr. President, there has been an interesting sequel to all this. First of all, there has been legislation which we have come to know as Public Law 480. The idea of

selling surplus agricultural commodities or exchanging them for foreign currencies was one which caught on very rapidly, and numerous bills were introduced subsequently to implement the idea and to extend it to the broad field of other countries, as well as to Korea.

I think one of the most interesting incidents that has happened has been the recent signing of a special agreement with the Republic of Korea, providing for the sale of \$50 million worth of United States agricultural commodities.

I have in my hand a press release issued by the United States Department of Agriculture on February 5, 1958, almost 5 years from the beginning of the idea, in which the Department of Agriculture announced an agreement with the Republic of Korea for the purchase by that country of \$50 million worth, including certain ocean transportation costs, of United States surplus agricultural commodities. The release states that the agreement was negotiated under title I of Public Law 480.

Then the statement by the Department goes on to list the commodity composition of the agreement, which included \$24.5 million worth of wheat; \$12.3 million worth of barley; \$2.1 million worth of grain sorghums; \$1.5 million worth of corn; and \$9.6 million worth of ocean transportation. The release states that "Sales under this program will be made by private United States traders. Details of purchase authorizations will be announced later."

The release further states:

The agreement provides that \$2 million equivalent of the hwan (Korean currency) obtained as sales proceeds will be set aside as loans to United States and Korean private enterprise. These loans will be made by the Export-Import Bank of Washington, Washington 25, D. C. Information concerning these loans can be obtained from that agency.

(Further information regarding this program may be obtained from the Foreign Trade Programs Division, Foreign Agricultural Service, U. S. Department of Agriculture.)

Mr. President, the signing of that agreement was witnessed by several Members of Congress. I considered it to be a privilege to be among those invited, although I had no prior notice of the date at which the signing was going to take place. A number of us were invited to the ceremony. My friend and colleague, the distinguished Senator from California [Mr. KUCHEL] was among those invited, as was also the Honorable OTTO KRUEGER, a Member of the House of Representatives from the State of North Dakota. Other Representatives were present, including Representative CHARLES M. TEAGUE, from California; and also some attachés, the Under Secretary of Agriculture, True D. Morse, and His Excellency, the Korean Ambassador, Dr. You Chan Yang, who had, 5 years before, come to call on me to express his appreciation of the initiation of the proposal.

On that occasion, the Under Secretary of Agriculture, Mr. Morse, made a statement, as did Dr. Yang, the Korean Ambassador.

I ask unanimous consent to have printed at this point in the RECORD the state-

ment of Under Secretary of Agriculture True D. Morse, in connection with the Public Law 480 agreement with Korea, as made by him and read to the group present on the 5th of February 1958.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF UNDER SECRETARY OF AGRICULTURE TRUE D. MORSE IN CONNECTION WITH THE PUBLIC LAW 480 AGREEMENT WITH KOREA

UNITED STATES
DEPARTMENT OF AGRICULTURE,
Washington, February 5, 1958.

I am happy to have the press here this morning to announce that a commodity agreement was signed earlier today in Seoul with the Government of the Republic of Korea for the sale to that country of \$50 million worth of United States agricultural commodities.

A brief ceremony has been arranged here with His Excellency, Dr. You Chan Yang, the Korean Ambassador to the United States along with some Members of Congress.

This agreement has been negotiated under title I of Public Law 480 which provides for financing the sale of surplus agricultural commodities for foreign currency. The agreement provides for the sale of \$24.5 million worth of wheat, or about 400,000 metric tons; \$12.3 million worth of barley, or about 285,000 metric tons; \$2.1 million worth of grain sorghums, or about 50,000 metric tons; and \$1.5 million worth of corn, or about 30,000 metric tons. In addition, the United States will finance ocean transportation costs estimated at \$9.6 million.

Mr. Ambassador, the negotiation of this agreement gives me much personal satisfaction. It brings the market value of title I agreements with your country to more than \$130 million. I believe the conclusion of these agreements points up the ability of our countries to work toward the solution of problems of common concern.

The commodities to be sold under the new agreement will be helpful to us in our efforts to move agricultural surpluses in a constructive manner. The sale, totaling about 765,000 metric tons of food and feed grains, will be welcome to our grain producers.

Mr. Ambassador, we hope this agreement will be of assistance to your country. In addition to help that the commodities will be in increasing available supply levels in Korea, a very substantial portion of the hwan the United States receives in payment for them will be used to assist in the support of Korean military forces. A portion will also be used for loans to United States and Korean private business firms through the Export-Import Bank of Washington with the concurrence of the Korean Government.

Now, Mr. Ambassador, we would be happy to hear from you.

Mr. CASE of South Dakota. Following that, Mr. President, I ask unanimous consent to have printed in the RECORD, in full text, the statement by Dr. Yang, made at the same ceremonies on the 5th of February 1958.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY DR. YOU CHAN YANG, KOREAN AMBASSADOR TO THE UNITED STATES, IN CONNECTION WITH THE PUBLIC LAW 480 AGREEMENT BETWEEN THE REPUBLIC OF KOREA AND THE UNITED STATES OF AMERICA

It is a very great pleasure as well as a privilege for me to respond to your words on behalf of my people and the Government of the Republic of Korea.

As you point out, this is a further evidence of the splendid relations existing between our two countries, and the commodities

which we will receive as a result of this Agreement which has been so quickly negotiated under title I of Public Law 480 will be of tremendous assistance in improving our general economy. Furthermore, our armed forces, as well as our business and industrial communities, will be in a position to benefit because of the amount of hwan to be used for credit and development purposes.

I am sure you all realize that my country is still doing its utmost to repair the ravages of Communist war. This has been a most difficult task. In fact, without the material aid of a direct nature which we have received from America in the past, it would have been a virtually impossible task. But I am happy to tell you gentlemen that the Korean people have willingly shouldered their many burdens and responsibilities, because they have realized that the country which was their chief partner in the fight against aggressive communism is today their chief partner in rehabilitation and reconstruction.

We Koreans wish to help ourselves as much as possible, and there is visible proof all over my country of this desire. This feeling has become the keystone of nearly all of our activity, because, and I say this with pride, we are a hardworking people, and we have never wanted to be on any international headline.

The agreement signed today providing for the sale of surplus agricultural commodities to Korea further confirms the determination of both my government and my fellow citizens of Korea to put our nation on a completely self-sustaining basis. If a steady flow of these commodities is made available, our factories will have material to make the finished products my country needs so urgently.

With the help of God and the cooperation of the American Government and its people we are bringing this determination to a happy and prosperous realization. But I repeat, our achievement would not have been possible had it not been for American understanding and assistance.

Mr. CASE of South Dakota. When the President submitted a report to the Congress on the 4th of February 1958—that was the day just prior to the signing of the agreement with Korea—he stated:

Since the beginning of the program, agreements for the sale of agricultural commodities for foreign currency under title I total \$3,343.2 million estimated CCC cost (\$2,300.8 million at export market value), of which \$332.8 million (\$205 million at export market value) represents agreements signed during the period covered by this report.

I thought the sale of almost \$3.5 billion worth of agricultural commodities for foreign currencies under title I was a remarkable record.

Mr. President, I ask unanimous consent that the portion of the President's statement which appears under the heading "Title I. Foreign Currency Sales Agreements Signed," and consisting of pages 3, 4, 5, and 6, down to the heading "Programs Carried on Through the Use of Public Law 480 Foreign Currencies," may be printed in the RECORD at this point.

There being no objection, the portion of the statement was ordered to be printed in the RECORD, as follows:

TITLE I. FOREIGN CURRENCY SALES AGREEMENTS SIGNED

Seven agreements, or supplements to agreements, involving a CCC cost of approximately \$332.8 million, were entered

into with seven countries during the period July-December 1957. The commodity com-

position, export market value, and CCC cost of these agreements are shown in table I:

TABLE I.—Commodity composition of agreements signed, July-December 1957

Commodity	Unit	Approximate quantity	Export market value	CCC cost
Wheat and wheat flour	Bushel	¹ 51,994,000	Million	Million
Feed grains	do	² 31,524,000	\$87.9	\$139.8
Rice	Hundredweight	2,182,000	40.0	91.9
Cotton	Bale	122,000	14.4	22.6
Tobacco	Pound	4,731,000	19.5	2.7
Dairy products	do	54,284,000	2.7	23.0
Fats and oils	do	16,764,000	13.4	2.4
Fruits	do	882,000	2.4	.1
Total commodities			180.4	308.2
Ocean transportation			24.6	24.6
Total, including ocean transportation			205.0	332.8

¹ Wheat and wheat equivalent of flour.

² Corn, 30,700,000 bushels

One hundred and seven agreements, or supplements to agreements, with a total CCC cost of \$3,343,200,000, have been entered into with 35 countries since the inception

of the program. The commodity composition, export-market value, and CCC cost of these agreements are shown in table II.

TABLE II.—Commodity composition of all agreements signed through Dec. 31, 1957

Commodity	Unit	Approximate quantity	Export market value	CCC cost
Wheat and wheat flour	Bushel	¹ 507,252,000	Million	Million
Feed grains	do	² 107,776,000	\$851.8	\$1,462.4
Rice	Hundredweight	25,507,000	135.4	244.5
Cotton	Bale	2,813,400	165.0	289.1
Cotton linters	do	15,400	425.8	595.2
Meat products	Pound	150,962,000	.3	.3
Tobacco	do	165,591,000	40.4	40.4
Dairy products	do	152,253,000	113.4	113.4
Fats and oils	do	1,777,768,000	35.7	59.3
Poultry	do	3,000,000	277.6	283.2
Dry edible beans	Hundredweight	44,000	1.2	1.2
Fruits and vegetables	Pound	124,834,000	.4	.4
Seeds	Hundredweight	9,000	5.9	5.9
Total			2,053.3	3,095.7
Ocean transportation			247.5	247.5
Total, including ocean transportation			2,300.8	3,343.2

¹ Wheat and wheat equivalent of flour.

² Corn, 56,815,000 bushels. Oats, 5,806,000 bushels, Barley, 33,143,000 bushels. Grain sorghums, 12,012,000 bushels.

Title I shipments since the beginning of the program totaled approximately \$1,650 million at export market value through December 31, 1957, of which about \$250 million was shipped during the reporting period. The export market value of commodities programmed under all agreements signed through December 31, 1957, was \$2,053.3 million (excluding ocean transportation costs). Shipments during the reporting period dropped sharply from the high levels attained in the January-June 1957 period because of reduced programing during calendar year 1957. The reduction in programing resulted from the limited availability of funds during the first 7 months of calendar year 1957 prior to extension of the program by the Congress and the time required to develop and negotiate country agreements following the increase in authorization. It is expected, however, that shipments will increase substantially during the next 6 months.

USUAL MARKETINGS

In accordance with the provisions of title I, appropriate assurances have been obtained from participating governments which require reasonable safeguards that sales of agricultural commodities for foreign currencies shall not displace United States usual marketings or be unduly disruptive of world market prices. Also, sales for foreign currencies under title I generally have been made at prices comparable to those prevailing in the market for export sales for dollars.

ROLE OF PUBLIC LAW 480 PROGRAMS

The sixth semiannual report provided statistics on exports under Public Law 480 com-

pared with total exports during the fiscal year ending June 30, 1957. A similar analysis will be made in the next report for the year ending June 30, 1958.

ACCOUNTING FOR TITLE I COSTS

The CCC cost of commodities included in agreements signed through December 31, 1957, is estimated at \$3,095.7 million. This includes the costs of acquisition of commodities at domestic support prices, storage costs, processing, and inland transportation. In addition, CCC will pay ocean transportation costs of \$247.5 million for commodities required to be shipped on private United States-flag vessels. These commitments total \$3,343.2 million.

The United States Government will receive foreign currencies in payment for the export market value of these commodities and the ocean transportation financed. The export market value of these commodities is \$2,053.3 million, which is \$1,042.4 million less than their cost to CCC.

The total CCC cost of \$3,343.2 million is charged to agricultural programs as a surplus disposal operation. At the end of each fiscal year the realized loss is calculated and an appropriation is requested to reimburse CCC. Appropriations totaling \$704 million have been made to reimburse CCC for losses realized through June 30, 1956. An appropriation of \$1,290.8 million for costs during fiscal year 1957 will be requested at this session of Congress.

Mr. CASE of South Dakota. Mr. President, the portion of the President's report which deals with the programs carried on through the use of foreign

currencies under Public Law 480 is most interesting, but it has been dealt with in some of the statements heretofore made.

At this point I merely wish to read into the record one paragraph which appears on page 7 of the President's report, under the title "Military Housing." I shall read the portion because it is brief and because I want to make a direct comment on it. The President said:

Use of foreign currencies for the construction of military family housing abroad as authorized by Public Law 161, 84th Congress, supplements the current Defense Department construction appropriation. On the other hand, over the years, dollar reimbursement of the capital cost of the housing will be made to CCC out of appropriations for the quarters allowances of the personnel occupying the housing. It is estimated that 15 to 20 years will be needed to effect full reimbursement without interest, assuming full occupancy and normal maintenance costs. Through December 31, 1957, \$73 million in foreign currencies had been allocated for this purpose.

I invite attention to that language, Mr. President, because the possibility of using agricultural surplus commodities for the acquisition of military housing overseas and for supplying funds for financing other military requirements overseas is one which appealed to me very strongly. In the fall of 1953, following the introduction of legislation proposing sale of agricultural commodities for foreign currencies, it was my privilege, with the then Senator Duff, of Pennsylvania, and the Senator from Mississippi [Mr. STENNIS]—the three of us comprising a Subcommittee on Military Construction—to visit several countries overseas, and to investigate our military construction requirements.

We were in Spain at the time the base agreement was being negotiated with Spain, under which certain Air Force installations were to be constructed. We noted that Spain that year had a drought and was going to be short of wheat. We proposed in connection with the visit and subsequently that efforts be made to acquire Spanish currency in the form of pesetas, which might be stored more readily than wheat and used to pay some of the construction costs.

There was some delay in having the suggestion carried out, so on the 27th of January 1954, the first month of the Congressional session following our visit overseas, as chairman of the Subcommittee on Real Estate and Military Construction of the Committee on Armed Services of the Senate, I conducted hearings, at which were also present former Senator Duff, the Senator from Mississippi [Mr. STENNIS], and the late Honorable Pat McCarran, a United States Senator from Nevada. We invited representatives from the Department of Defense, the Department of State, and the Department of Agriculture to investigate ways whereby surplus commodities might be more widely utilized in meeting our construction costs for the bases in Spain. Present representing the Department of State was the Honorable Samuel C. Waugh, Assistant Secretary of State for Economic Affairs. Also present were Mr. John H. Davis, Assistant

Secretary of Agriculture, and Rear Adm. Joseph F. Jelley, Director of Construction for the Department of Defense. Admiral Jelley was the person to be in charge of the construction work in Spain.

The hearing record on that occasion made about 22 pages. I shall not ask to have the hearing printed in the RECORD at this time, but I cite it for reference. The hearing was held January 27, 1954, and the record is available, printed for the use of the Committee on Armed Services.

The hearing explored the possibilities as to the use of agricultural commodities and laid the foundation for the sale of a considerable amount of wheat to Spain, which was converted into Spanish currency and subsequently used in meeting construction costs there.

In the military construction bill of 1954—I think it is the one to which the President alluded in his report—we placed a special paragraph authorizing and directing the use of agricultural commodities for the acquisition of foreign currencies to the maximum extent possible for utilization in our foreign military requirements.

So all in all, Mr. President, the program of utilizing our agricultural surpluses to acquire currencies which might be utilized either in meeting our direct cash requirements abroad or in improving our ability to carry on programs of economic reconstruction in countries abroad has been a most useful one.

I thoroughly support the extension of the act as provided in the forepart of S. 3420, which is under consideration. Title I should be extended as therein recommended.

I should personally like to see the act strengthened by strengthening the provisions relating to barter for commodities which are not produced in this country in sufficient quantities to meet our requirements. I hope, however, that in the further consideration of that portion of the bill which is represented by sections 5 and 6 we shall eliminate the requirement that nonstrategic materials be admitted duty free, and, further, that we shall not require the purchasing officers or procurement officers of other Government agencies to get their materials first of all from such imported commodities.

It seems to me that the importation of commodities acquired by the disposition of one surplus in the agricultural field should not be executed in such a way as to depress the markets of the producers of commodities in other fields—in the mineral field or possibly even other agricultural fields. I think when we acquire commodities from abroad which are subject to less deterioration in storage, we should take advantage of the storage quality and store them for times of emergency, or, more especially, periods of short supply. We should not permit such commodities to become depressants to other segments of our economy.

I hope in the further consideration of the bill now pending that matter will be kept in mind, so the bill can be improved in that respect.

Mr. President, I have an amendment which I should like to offer so it can be

printed for the information of the membership of the Senate. The amendment, which is in the nature of a perfecting amendment, proposes to place a period in line 9 on page 4, after the word "Corporation", and to strike out the remainder of the sentence.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. CASE of South Dakota. After that amendment and the related amendments are disposed of, Mr. President, I intend to call up for consideration the amendment I previously proposed and had printed, namely, the one which would place the currency received under the authority of title I in a special fund in the Treasury, to be designated a "Foreign Currencies Fund." I shall discuss the amendment at the time I call it up.

Mr. President, I yield the floor.

Mr. SYMINGTON. Mr. President, we are engaged in a great struggle with the Communist bloc countries, the outcome of which will determine the future of millions of the world's population.

Our goal in this struggle is a free world, characterized by permanent peace, where the dignity of man reigns supreme.

If we are to win this struggle, if we are to attain that goal, we must use every tool available.

In Public Law 480—the Agricultural Trade Development and Assistance Act of 1954—we have one of the most important tools. Through that law we have an opportunity to use one of our most important blessings, an abundance of food, in this struggle for world peace.

Putting it mildly, the Communist leaders recognize the importance of food. In a speech last May, Nikita Khrushchev, Communist Party chief, emphasized the importance of food "to influence the minds of waverers who were skeptical of Communist ideology."

In this same speech, the New York Times quoted Mr. Khrushchev as saying:

We are not going to blast the capitalist world with bombs, but if we catch the United States in the level of meat, milk and butter production per capita we shall be releasing a mighty torpedo at the mainstays of capitalism.

In spite of Russian claims of superiority in many areas, some of which claims we know are true, they readily admit our superiority in the production of food and fiber.

Unless we use the results of our productive agricultural capacity to further our cause in the struggle for peace, however, we are wasting this superiority.

Is it not paradoxical that, with the future of the Free World at stake, we hear unending discussion about burdensome surpluses, when millions of people throughout the world, some in our own country, go to bed hungry?

Why can we not use some of our agricultural productivity as a blessing and not as a burden?

Public Law 480 offers a unique opportunity to this end.

In addition, it serves to stimulate and develop markets for American products in foreign countries; because, through the use of foreign currencies, it gives other countries the opportunity to pur-

chase our products, which otherwise they would not be able to do.

Finally, it is clear that Public Law 480 provides the means whereby surplus agricultural commodities not needed for domestic uses can be utilized as an important phase of our foreign policy program.

Mr. President, the Missouri Farmers Association is the largest farm organization in Missouri. Its president, Mr. Fred V. Heinkel, is one of our most distinguished citizens. I ask unanimous consent that an article by Mr. Heinkel, entitled "Food Can Lead the Way," which appeared in the December 1957 issue of the Missouri Farmer's magazine, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOOD COULD LEAD THE WAY
(By Fred V. Heinkel)

Amid the excitement of launching objects into outer space, we in the United States continue to lament the possibility that we're losing our position of world leadership to Russia. But I maintain that this Nation today has overlooked an asset which, if properly used, could turn the tables on the Communists.

Our sputnik is the ability to produce an abundance of food. When we can work out a way to seat the people of the world around America's dinner table, the Communist dictators might just as well throw in the sponge.

Nikita Khrushchev, the talkative Soviet Communist Party chief, recognizes the importance of our agricultural production and calls it the mainstay of capitalism. In a speech to a gathering of farm directors and specialists in Leningrad a short time ago, Khrushchev said: "We are not going to blow up the capitalist world with bombs. If we overtake the United States in the per capita production of meat and butter and milk, we shall have hit the pillars of capitalism with the most powerful torpedo yet seen."

The Russian dictator went on to say that if the Soviet Union could accomplish this agricultural feat it would make people flock to our side in an increasing number. He then predicted that the Soviets would catch up with the United States in this respect within 4 years.

Should we fail to make the most of our present lead in the field of agriculture, I predict that such lack of initiative will one day cause more furor than all the launchings of missiles, planets, and the like.

SHERMAN COOPER, distinguished former Ambassador to India and now a Republican Senator from Kentucky, is familiar with the problems of the world's undeveloped areas. In a talk last August, COOPER made this statement:

"We should not underestimate the crucial importance of food to countries which have seldom had enough to feed the people. In the newly independent countries of the world, governments are faced with sharp and insistent demands by their people for more food and clothing—simple things, which we take for granted—the first demands which the achievement of political freedom has permitted them to voice. If the democratic governments of these countries cannot meet this first and basic need, their people will question democratic methods and may in time look for other systems of government."

Why is it that we have such difficulty in recognizing the blessing of our abundance of food? Why, when such a vast majority of the world's population goes to bed hungry every night, do we mistreat, berate, and apologize for our surplus of food? How can

we be so shortsighted as to look on our abundance as a surplus when such conditions exist?

Perhaps one reason why we fail to appreciate the potential of our agricultural abilities, is that in America hunger is just another six-letter word. It seems our main worry is over the possibility of war—and the thought of a worldwide conflict is certainly frightening. Yet to the vast majority of the people on the European and Asiatic Continents, the fear of war takes second place to that of famine.

HUBERT HUMPHREY, Senator from Minnesota, recently stated: "A country such as ours, which has a very fine and modern and up-to-date agricultural economy, a country such as our which has the God-given blessing of abundance instead of scarcity, ought to be using every means at its command to use this positive element, namely food, and build strength with it."

The express objective of communism is to dominate the world. The classic approach of a Communist nation is to emphasize industry even at the expense of starving the people—look at China, as well as Russia—and to parade its military might before its subjects and the world with the inferred threat that criticism or interference will be met with retaliation and oppression.

What have we done to counteract such brutish action? Does our approach prove that we are different? Can the man-in-the-street in India, Turkey, or Japan note any difference in the announcement of a parade of Russian tanks led by a hammer-and-sickle color guard, or a show of force by a fleet of battleships flying the Stars and Stripes? Are the Syrians aware of the difference? I doubt it.

We know that our forces are sent to protect, not dominate. But the common man in many nations of the world can, if at all, barely read or write. He can scarcely be expected to make decisions based on Free World versus communistic philosophy when he knows little about either. He believes what he sees, and what he is told by others.

It costs \$10 million to put a B-52 on the runway of a SAC airbase. How many tons of beef, how many bushels of wheat, how many cases of dried milk could America send across the sea for \$10 million?

I'll tell you. We could send enough to bring smiles to the faces of thousands of hollow-eyed youngsters; we could send enough to show the people in some starved country that we practice the Christian principles which we so often preach; we could send enough to make a start in strengthening the shaky economy of some nation on the verge of falling into the communistic camp.

Granting the desirability of a well-managed program of military assistance to our Free World friends, I would ask, What could we accomplish if we would go the second mile and work out a method to share with others our abundance of food? The reason this Nation enjoys such a high standard of living is because the efficiency of agriculture has made it possible for almost 90 percent of our population to go about building cars and homes and providing other conveniences without a need to worry about food.

In many nations of the world it is just the opposite—their problem lies in the fact that the bulk of their population is needed to produce food to keep people alive. We could provide them with food and release that manpower to build their industry and boost their standard of living. We could extend to the world the advantage which a highly productive and efficient agriculture has brought to America.

Such an approach would require a change in our thinking. It would mean a reevaluation of our agricultural resources. It would require the recognition of our productive abilities as a blessing rather than a problem.

It would mean a realistic facing-up to what have been weak and biased excuses about the possibilities of expanding world trade. It would mean laying bare the selfish interests which have too often directed our steps.

But it could be the first major move toward peace in the history of the world. And the United States could lead the way.

This Nation is now contemplating an all-out effort to match Soviet accomplishments in the scientific field. I have no doubt we can do it. But I believe of greater significance is the fact that we now have at our fingertips the means for a peaceful solution to the world's real problem. When will we awaken to the realization that our agricultural ability is the greatest deterrent to war and the most powerful tool for peace today.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 19, 1958, he presented to the President of the United States the following enrolled bills:

- S. 147. An act for the relief of Guido William Gramberg;
- S. 161. An act for the relief of Elias Youssef Mikhael (Ellis Joseph Michael);
- S. 285. An act for the relief of Paul Gus-tin;
- S. 1249. An act for the relief of Martha A. Calvert;
- S. 1287. An act for the relief of Heinz August Schwarz;
- S. 1331. An act for the relief of John P. Souvaldzis;
- S. 1359. An act for the relief of Franz Hehn;
- S. 1403. An act for the relief of Michael James Bolger;
- S. 1543. An act for the relief of Dorene I. Fast;
- S. 1600. An act for the relief of the C-L Electric Co.; and
- S. 2110. An act for the relief of Shirley Leeke Kilpatrick.

RECESS

Mr. ELLENDER. Mr. President, if there is no further business to come before the Senate, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 27 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 20, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 19 (legislative day of March 17), 1958:

FEDERAL MARITIME BOARD

Thomas Edward Stakem, Jr., of Virginia, to be a member of the Federal Maritime Board for a term of 4 years expiring June 30, 1962. (Reappointment.)

UNITED STATES ATTORNEYS

Maurice Paul Bois, of New Hampshire, to be United States attorney for the district of New Hampshire for a term of 4 years. (Reappointment.)

Theodore F. Bowes, of New York, to be United States attorney for the northern district of New York for a term of 4 years. (Reappointment.)

UNITED STATES MARSHALS

William Raab, of Nebraska, to be United States marshal for the district of Nebraska for a term of 4 years. (Reappointment.)

J. Bradbury German, Jr., of New York, to be United States marshal for the northern

district of New York for a term of 4 years. (Reappointment.)

George M. Glasser, of New York, to be United States marshal for the western district of New York for a term of 4 years. (Reappointment.)

B. Ray Cohoon, of North Carolina, to be United States marshal for the eastern district of North Carolina for a term of 4 years. (Reappointment.)

Dewey Howard Perry, of Vermont, to be United States marshal for the district of Vermont for a term of 4 years. (Reappointment.)

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

James S. Somerville, Aliceville, Ala., in place of R. H. Kirksey, resigned.

Virgil Wallace Fuller, Five Points, Ala., in place of A. M. Causey, retired.

William C. Wilson, Hodges, Ala., in place of H. P. Haynes, deceased.

Howard R. Jordan, Leighton, Ala., in place of G. C. Spangler, retired.

John Lee Betts, Monroeville, Ala., in place of E. E. Yarbrough, retired.

Marvin E. McKee, Pinson, Ala., in place of G. R. Tyler, retired.

Sara Jo Green, Pleasant Grove, Ala., in place of Elizabeth Morton, retired.

Jack D. Pence, Somerville, Ala., in place of C. P. Johnston, retired.

Thomas O. Rudder, Stevenson, Ala., in place of E. O. Mann, retired.

Newton J. Robinson, Verbena, Ala., in place of G. W. Deramus, resigned.

ARKANSAS

Vera M. Garrick, Hemitage, Ark., in place of J. I. Garrick, retired.

CALIFORNIA

Laura W. McNeill, El Cerrito, Calif., reestablished September 21, 1957.

Wallace R. Cate, Lakeside, Calif., in place of W. S. Oaks, removed.

Mary G. Mosby, Myers Flat, Calif., in place of G. F. Cloney, resigned.

Harold A. James, Oroville, Calif., in place of P. R. Walsh, retired.

Morris S. Butz, San Joaquin, Calif., in place of M. G. Hernandez, resigned.

CONNECTICUT

Ralph F. Camp, Bridgewater, Conn., in place of B. B. Randall, retired.

William H. Hills, Hebron, Conn., in place of A. E. Porter, retired.

HAWAII

Thomas M. Shigeta, Halaula, Hawaii, in place of A. C. Kong, transferred.

Shinobu Morimoto, Pepeekeo, Hawaii, in place of J. L. Spalding, retired.

IDAHO

Mary Jeane Jones, Donnelly, Idaho, in place of E. E. Moore, removed.

Glen E. Levers, Payette, Idaho, in place of L. M. Bowman, deceased.

ILLINOIS

Chauncey C. Glosser, Decatur, Ill., in place of R. E. Ellison, resigned.

INDIANA

Geraldine M. Johnson, Ashley, Ind., in place of B. L. Gage, retired.

James R. Davis, Flora, Ind., in place of Chester Wagoner, retired.

Gerald W. Scott, Floysd Knobs, Ind., in place of J. O. Best, retired.

Lowell M. Roose, Nappanee, Ind., in place of F. I. Troup, retired.

Arch Ralph, Sullivan, Ind., in place of C. O. Hall, retired.

Wesley William Mack, Wanatah, Ind., in place of L. J. Rosenbaum, transferred.

KANSAS

Eldon E. Klinzmann, Agra, Kans., in place of M. B. Hayes, transferred.

Vernon Ralph Bean, Anthony, Kans., in place of A. H. Poundstone, retired.

Eldor I. Duensing, Bremen, Kans., in place of J. J. Sedlacek, retired.

Wilbur Milton Talkington, Matfield Green, Kans., in place of J. E. Snedegar, retired.

Robert Anderson, Scammon, Kans., in place of P. J. Jolly, retired.

KENTUCKY

Kermit W. Cook, Beaver Dam, Ky., in place of E. M. Martin, retired.

LOUISIANA

Everett Hill, Pitkin, La., in place of C. W. Carson, retired.

Robert H. Welch, Robeline, La., in place of E. T. Cutrer, deceased.

Lillian T. Martin, Ruston, La., in place of E. D. McCallum, retired.

MAINE

John C. Swett, Howland, Maine, in place of E. F. McCloskey, retired.

Victor C. Brown, New Sharon, Maine, in place of V. G. Brown, retired.

Wilmot R. Crandlemire, Vanceboro, Maine, in place of R. E. Swaney, deceased.

MARYLAND

Adam M. Kraliser, Hanover, Md., in place of F. C. Finnerty, resigned.

John R. Corun, Jr., Jefferson, Md., in place of W. R. Horine, retired.

William R. Long, Sharpsburg, Md., in place of B. A. Palmer, deceased.

Anna N. Moore, White Marsh, Md., in place of R. M. Moore, resigned.

MASSACHUSETTS

Marion P. Norman, Bellingham, Mass., in place of R. S. Thayer, retired.

Albert A. Gaukroger, Beverly, Mass., in place of R. W. Fegan, retired.

Sydney E. St. Peters, Conway, Mass., in place of C. J. Dacey, retired.

Eleanor F. Ricker, West Chelmsford, Mass., in place of R. G. Anderson, retired.

Theodore A. Swieca, West Grot., Mass., in place of M. M. Hill, retired.

MICHIGAN

Roger W. Bergdahl, Ishpeming, Mich., in place of J. T. Burke, removed.

Donald D. Iverson, Lake City, Mich., in place of C. C. Lerg, retired.

MINNESOTA

Rudolph F. Berg, Jr., Bagley, Minn., in place of W. C. Wiensch, retired.

Robert G. Westrup, Eden Valley, Minn., in place of L. B. Rothstein, resigned.

Kenneth L. Lutner, Reading, Minn., in place of F. W. Nord, retired.

MISSISSIPPI

Reiford W. Castens, Camden, Miss., in place of J. S. Rimmer, retired.

Joseph D. Buckalew, Richton, Miss., in place of S. W. Johnson, transferred.

Charles F. Crigler, Starkville, Miss., in place of R. H. Redus, retired.

James W. Anderson, West Enterprise, Miss., in place of I. L. Moore, transferred.

MISSOURI

Joseph E. Manson, Keytesville, Mo., in place of O. L. Davis, deceased.

Wayne N. Welker, Williamstown, Mo., in place of J. S. Smith, retired.

NEBRASKA

Leonard L. Larsen, Fremont, Nebr., in place of F. S. Perkins, retired.

Denny L. Stecher, Hooper, Nebr., in place of F. A. Ott, transferred.

Aaron E. Brodhagen, Pierce, Nebr., in place of B. P. Boyd, retired.

NEVADA

Myrtle M. Curtis, Weed Heights, Nev., in place of A. M. Houck, resigned.

NEW JERSEY

Harold G. Tucker, Bayonne, N. J., in place of P. J. McGrath, deceased.

Wallace H. Harvey, Far Hills, N. J., in place of H. F. Sawyer, retired.

Warren J. Binns, Jr., Garwood, N. J., in place of J. F. Dugan, retired.

John A. Castellano, Mount Ephraim, N. J., in place of J. B. Beaston, retired.

NORTH CAROLINA

Audrey H. Cashatt, Randleman, N. C., in place of S. F. Matthews, retired.

Malcolm Vance Hickman, Winston-Salem, N. C., in place of W. B. Boone, resigned.

OHIO

Gall E. Collins, Lakeview, Ohio, in place of B. L. Geiger, removed.

Lloyd E. Ullman, Lower Salem, Ohio, in place of B. M. Watkins, deceased.

William Patrick Lochary, Pomeroy, Ohio, in place of Albert Russell, Jr., removed.

Robert M. Talmage, Sabina, Ohio., in place of C. L. Sparks, deceased.

OKLAHOMA

Lora A. S. Workman, Caney, Okla., in place of L. N. Simpson, retired.

Albert S. Bowerman, Cement, Okla., in place of B. D. Barnett, deceased.

Harriet T. Howard, Keystone, Okla., in place of Arthur Duck, deceased.

Ray K. Babb, Jr., Mangum, Okla., in place of J. W. Wheeler, resigned.

Doy McLain, Pocomasset, Okla., in place of R. L. Dobry, transferred.

OREGON

Joseph W. Dougherty, Aumsville, Oreg., in place of H. E. Way, resigned.

Eva A. Murray, Dayville, Oreg., in place of W. W. Mascall, retired.

Lucile R. Olney, Hammond, Oreg., in place of Carl Burk, deceased.

Lulu C. Sheasley, McKenzie Bridge, Oreg., in place of Willis Brewster, retired.

PENNSYLVANIA

Gerald Kilmer, Avondale, Pa., in place of A. S. Keating, retired.

Janet C. Marsico, Cheswick, Pa., in place of L. H. Lockerman, transferred.

Aleda U. Shumaker, Jerome, Pa., in place of Joseph Pugh, retired.

Pauline A. Gossick, Stiles, Pa., in place of M. M. Benninger, retired.

TEXAS

Alton B. Daniels, Bynum, Tex., in place of M. B. Rankin, retired.

Dorothy M. Henly, New Deal, Tex., in place of G. W. Henly, resigned.

Ruth J. Mras, Port Isabel, Tex., in place of M. E. Graves, retired.

Joseph L. Strother, Jr., Santa Anna, Tex., in place of F. C. Woodward, retired.

Robert L. Jones, Tom Bean, Tex., in place of Eva Devine, retired.

UTAH

Edwin W. Johnson, Bingham Canyon, Utah, in place of E. T. James, transferred.

VERMONT

James A. Colburn, Lyndon Center, Vt., in place of H. F. Mason, retired.

VIRGINIA

Lela O. Scott, Amelia Courthouse, Va., in place of G. C. Ligon, retired.

Wilmer J. Whitaker, Fries, Va., in place of G. K. Fielder, retired.

Harold E. Abbott, Goode, Va., in place of J. S. McCauley, retired.

William N. Legard, Marshall, Va., in place of H. H. Russell, retired.

Grace Aileen Ringstaff, Founding Mill, Va., in place of M. E. Thomas, retired.

James L. Whitlow, Sandston, Va., in place of R. H. Woodall, retired.

Maud N. Ridley, Stony Creek, Va., in place of M. W. Lewis, transferred.

Roy M. Cleek, Warm Springs, Va., in place of W. G. Cleek, resigned.

Christine D. James, Waterford, Va., in place of J. J. James, deceased.

WASHINGTON

Harold H. Bechtold, Forks, Wash., in place of T. H. Mansfield, resigned.

Marion L. Ellsworth, Inchelium, Wash., in place of N. B. Judd, deceased.

John H. Gray, Shelton, Wash., in place of Warren Lincoln, resigned.

Bonnie M. Wade, Westport, Wash., in place of Everhard Nyhus, retired.

Darrell G. Dufresne, Jr., Winthrop, Wash., in place of R. M. Badger, retired.

WEST VIRGINIA

Clarence W. Haga, Cairo, W. Va., in place of C. E. Heckert, retired.

Gladys M. Lewis, Camden on Gauley, W. Va., in place of A. S. Been, retired.

Frances Adams, Hugheston, W. Va., in place of A. H. Taylor, retired.

Norman Edward Wagner, Marlinton, W. Va., in place of Kerth Nottingham, removed.

Frank H. Hardesty, Matoaka, W. Va., in place of V. L. Farley, deceased.

William A. Swearingen, Parkersburg, W. Va., in place of Fred Gainer, deceased.

James Woodrow Smith, Sophia, W. Va., in place of O. L. Green, retired.

Granville Curtis Sexton, Welch, W. Va., in place of Ann Fletcher, retired.

WISCONSIN

Jake Van Bendegom, Kenosha, Wis., in place of P. M. Saffig, deceased.

WYOMING

Rouse W. Anderson, Ten Sleep, Wyo., in place of F. H. Shriver, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 19 (legislative day of March 17), 1958:

POSTMASTERS

ALASKA

Irene A. Begin, Aniak.

CALIFORNIA

Claude B. Hetherington, Calexico.
Fred G. Strong, Carmel.
Darrel Lawrence Burgan, Claremont.
Robert H. Kingham, Felton.
Donald E. Rothrock, Mira Loma.
Robert T. Sheldon, Paradise.
John H. Brass, Santa Maria.
Joseph R. Stanich, Sunnyvale.
Robert J. Bloodgood, Twentynine Palms.
Earl H. Chamberlain, Vacaville.
Fred W. Linneman, Watsonville.

CONNECTICUT

Horace Edward Leonard, Durham.
Charles W. Lindsay, Fairfield.

DELAWARE

Aubrey W. Pugh, Hockessin.

GEORGIA

James P. Burroughs, Colbert.
George T. Holloway, Midville.

IDAHO

Robert H. Braithwaite, Arco.
Edward L. Moberly, Middleton.
Boyd R. Moore, New Meadows.
Floyd K. Libey, Potlatch.

INDIANA

Charles E. Sweany, Crothersville.
Charles L. Oxley, Evansville.
Twanette S. Coleman, Forest.
Don Hubert Neff, Goshen.
Gerald B. Eitnier, Hillsboro.
Paul H. Miller, Macy.
Russell F. Berkheiser, Ossian.
Max I. Ward, Spencerville.

IOWA

Lloyd L. Giltner, Agency.
Bernard H. Richter, Ashton.
Roger M. Galloway, Cedar Falls.
Paul E. Garthwaite, Charles City.
Paul F. Hoyt, Cherokee.
John R. Johnson, Mallard.
John H. Pazour, Marion.
James C. Houle, Mechanicsville.
Benjamin P. Flack, Jr., Osage.
James L. Brown, Peterson.
Helen T. Kernen, Ralston.
Norman O. Walk, South English.

KANSAS

Tomas L. Kauble, Arcadia.
Francis W. Johnson, Argonia.
Gene C. Montgomery, Barnard.
William L. Pool, Bronson.
Harold T. Stodard, Burlingame.
Emmett E. Sutherland, Galena.
Ray D. Wiley, Lyndon.
Chalmers A. Hawks, Nickerson.
Harlin L. Hornbostel, Palmer.
Samuel P. Bell, Scranton.
Edward A. Fink, Stilwell.

KENTUCKY

William H. Burgess, Arlington.
Charles B. Neville, Park City.
Garrett L. Robey, Stamping Ground.

LOUISIANA

Samuel D. Castleberry, Ferriday.
Louise M. Townsend, Gilbert.
Olive J. DeJean, Hodge.
Andrew H. Ferguson, Marion.
Wanza G. Keaton, Tangipahoa.

MAINE

Gerard B. Guay, Bingham.
Marshall F. Holmes, Jefferson.
Hubert A. Cowan, Newcastle.

MARYLAND

Robert Joseph Sellner, Jessup.
Eliot W. Sperry, Lutherville-Timonium.

MASSACHUSETTS

Ernest A. Whitman, Centerville.
Arthur Edison Coakley, East Brewster.
Edward H. Morse, Mansfield.
Frank E. Dudley, Mendon.
Burton S. Young, Orleans.
William T. Bowden, Wales.
Samuel James Currie, Whitinsville.

MINNESOTA

Orvind P. Nichols, Borup.
Howard C. Eichhorn, Hill City.
Herbert M. Koster, Pequot Lakes.

MISSISSIPPI

Bester L. Files, Ackerman.
Andy J. Becker, Bay St. Louis.
Calvin J. Meaders, Hickory.
John T. Miller, Myrtle.
Ola L. McMath, Sidon.

MONTANA

Walter R. Richards, Hall.
Frank F. Pisk, Terry.

NEBRASKA

Mildred M. Heikes, Dakota City.
George A. Fenske, Jr., Dunbar.
Bryce E. Heckman, Hickman.
Wilmer G. Tollefsen, Kearney.
Sheldon B. Mitchell, Nehawka.
Quintin L. Nicholas, Palmer.

NEW HAMPSHIRE

Edwin F. Locke, Amherst.
David R. Elder, Dublin.
Philip M. Clark, Marlboro.
Allan H. MacDougall, Milan.
Arthur J. Denault, Plaistow.

NEW JERSEY

Timothy J. Flynn, Livingston.
Guido V. Camsocci, Osbornville.
Frank Magill, Jr., Pompton Lakes.

NEW YORK

Leighton C. Austin, Alfred Station.
Merritt Pember Newberry, Canastota.
Ralph Seaman Lansing, Castleton on Hudson.

Clarence H. Tabor, Cato.
Frederick L. Gifford, Clifton Springs.
Hampton B. Scofield, Cold Spring.
Gordon Raymond Shepardson, Elmira.
James George Dougall, Evans Mills.
Heber Ashley, Jr., Grand Island.
Anthony J. Wirmusky, Hoosick Falls.
Joseph F. Clark, Hughsonville.
Everett W. Mussen, Keeseville.
Daniel J. Millicker, Mahopac Falls.
Anna L. Butcher, North Chili.
Frank LaVigne, Ogdensburg.
James Norton Engleson, Ontario.
Harrison M. Fairbanks, Portville.
George A. Gutterson, Rensselaer Falls.
James Joseph Barry, St. James.
Robert L. Bower, Sanborn.
George J. F. Secor, Scarborough.
Roy G. Peterson, Southampton.
Harvie Coleman, Summitville.

NORTH CAROLINA

John L. Pippin, Fremont.
Junius W. Rogers, Jr., Henderson.
Azer Dow Baucom, Sr., Monroe.

OHIO

Robert N. Croskey, Amsterdam.
James F. Braig, Buckeye Lake.
Carl I. Moser, Cridersville.
John W. Watson, Deshler.
Paul L. Burkholder, Edon.
Ralph Eugene Dresbach, Kingston.
Howard M. Lawrence, Long Bottom.
Harold Ralph Thompson, McDermott.
John B. Gibbs, Midvale.
John B. Carr, Jr., Monclova.
S. Eleanor N. Cope, Neffs.
Luther L. Burnett, Patriot.
Dale L. McDonald, Rushville.
John L. Zimmerman, Seaman.
Ray D. Hall, St. Clairsville.
Thomas A. Brayshaw, Tipp City.

OREGON

Harley D. Naas, Myrtle Creek.
Irvin Lewis Wence, North Plains.
Joseph D. McKay, St. Paul.
Ruby A. Keller, Vida.
John L. Shetterly, Willamina.

SOUTH CAROLINA

Daniel M. McCaskill, Camden.
Arace M. Crouch, Wallace.

SOUTH DAKOTA

Milton H. Collmann, Isabel.
Fred H. Knudsen, Viborg.

TENNESSEE

Thomas Harold Wilson, Madison.

UTAH

Rulon S. Wood, Cedar City.

VERMONT

Raymond A. Petelle, Derby Line.
Lawrence H. Riggs, Hinesburg.

VIRGINIA

James R. McLearn, Herndon.

WEST VIRGINIA

Thomas C. Booth, Littleton.

WISCONSIN

Golden M. Barritt, Barron.
Arthur E. Reid, Boscobel.
Robert E. Dietrich, Cassville.
Donald C. Swanson, Lakewood.
Elmer E. Bressler, Menomonie.
Carl F. John, Montello.
Arthur E. Rafferty, Mountain.
Ellen M. Schmidt, Newton.
Harold A. Wendt, Owen.
Valentine H. Habel, Ripon.
Leroy H. Graves, Sullivan.